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Mission of our Association President—Steve Hartung

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WELCOME MEMBERS TO THE
SAMLA 2007 NEW YEAR!

Before discussing your Association's goals and objectives for 2007, let's take a look back at our accomplishments for 2006. First and foremost was our goal to increase membership. WE are proud to announce that membership in SAMLA more than doubled in 2006 to 55 member companies, both regular and affiliate. WE are also proud to announce that due to your generosity \$ 10,600 was raised for both our U of A and Pima College scholarship programs. In addition, SAMLA now has a fully functioning online Web-Site, www.samlaonline.com, bringing our Association into the age of Technology.

2007 brings about a structure change for functionality with much more emphasis on membership education and legislative issues pertaining to Loan Officer Licensing and Predatory Lending. Oh, and let's not forget, RESPA reform has been cooling it's heels for much too long and is due for resurrection.

Next Issue Look For :

- **Arizona Legislative Watch List**

Loan Officer Licensing (where is it? What is our Association doing? And what is happening next?)

- **National Watch List**

Suitability Standards and Predatory Lending

WE began 2007 with a structure change designed to increase the productivity of each working committee while at the same time creating an environment for the education and growth of future SAMLA Presidents, Officers and Directors. To mirror a by-laws change instituted by the Arizona Mortgage Lenders Association (AMLA), three new Vice President Positions have been added to our Board structure. The Vice President of Advocacy, Sharon

Garman, is responsible for the activities of the Legislative, Public Relations and Newsletter Committees. The Vice President of Education, Randy Hotchkiss, heads up the Scholarship, Luncheon Program and Education Committees. And last but certainly not least the Vice President of Networking, Anita Haley, will have her hands full working with the Membership, Industry Liaison, AMLA liaison and Special Events Committees. Ideally, our plan after a certain phase in period is to have future SAMLA Presidents with a background of working in all three of these Vice Presidents positions.

Once again increasing our membership is the number one goal of our Association for 2007. By the end of this year our expectations are a membership base of 70 companies, which means all 55 existing members must renew and 15 new members must be added. With your help this goal can be achieved. Please refer any new member prospects to Directors

Anita Haley, Lisa Burns or our Executive Secretary Nancy Perry.

Of equal importance to membership is Education. WE have some exciting new educational events planned for this year geared toward helping our Association members with their training needs. In addition, on behalf of our members and in conjunction with AMLA we will be monitoring the Arizona Legislature very closely for any Bills pertaining to Predatory Lending and Loan Officer Licensing, currently referred too as Bill HB 2320.

As you can see 2007 will be an exciting year for the Southern Arizona Mortgage Lending Association. Please help us in making our Association successful by participating all of the planned events. Our membership luncheons are held the third Wednesday of every month at the Tucson Country Club starting at 11:45. Please consult our Web-Site about these luncheons or other upcoming events at www.samlaonline.com and make your reservations!

Sincerely,

Steve Hartung ,
Your 2007 SAMLA President

BUILDER INDUCEMENT, AFBA PROGRAMS CAUSE CONTROVERSY

Compiled From RESPA News Monthly February 2007

Can a builder with an affiliated mortgage company discourage buyers from using an outside lender? Can a builder stipulate that if a buyer wants an incentive upgrade package, then they must use a specific title company? These questions are at the core of a brewing controversy in New Jersey, along with the question, are these RESPA violations?

State lawmakers of New Jersey, on behalf of builder K. Hovnanian, have introduced Senate Bill 2229. This bill would permit title agents to offer certain discounts on title insurance without the approval of the Department of Insurance, in turn, making it legal for builder-controlled title agencies to offer consumers inducements if they use their title services.

SB2229, filed in September by Sen. Raymond Lesniak, D-Union, permits title companies or agents to offer rebates, discounts, abatements, credits or reductions of premiums, without prior approval of the Banking and Insurance commissioner, on the following conditions:

It is only presented or offered to a person purchasing of a contract or title insurance policy;

The presentment or offer is an optional condition.

The person is not required to use the presenting or offering title insurance company.

Any reduction in costs or other savings for the person, or any increase in costs for the presenting or offering title company or agent, resulting from the person's acceptance of any inducement will not be added by the title company, agent or other involved party to the person's costs.

If approved, the law would take effect on the first day of the fourth month following the date of enactment.

The New Jersey Land Title Association (NJLTA) has issued an "urgent memo" to its title agent members asking them to speak out against SB2229. "These discounts would not be regulated by the Department of Insurance. If this bill is passed, it will force you to discount your premiums to keep pace", the NJLTA warned.

This bill is currently before the Senate Commerce Committee and could be voted on soon. The NJLTA is encouraging its members to contact the committee members to voice opposition against the bill.

As for the answers to those RESPA questions posed at the beginning, Rich Andreano, attorney with Weiner Brodsky Sidman Kider PC in Washington D.C. , notes that " a builder may offer discounts to home buyers to select the builder's affiliated mortgage company. The discounts must be bona fide – they may not be offset by higher costs elsewhere in the transaction. "However," Andreano added, "HUD takes the position that a builder may not increase prices or costs to the buyer if the buyer elects to use a non-affiliated lender.

Likewise, Marx Sterbcow, managing partner of the Sterbcow Law Group, has said that "the offering of discounts or rebates to consumers for using a specific title company does not constitute a violation of RESPA Section 9, as long as the discount is optional to the purchaser. However, the discount must be a true discount below the prices that are otherwise generally available, and must not be made up by higher costs elsewhere in the settlement process. If choosing the 'upgrade package' option results in higher costs to the consumer, it would be considered a violation. And of course, builder JVs are subject to the same RESPA tests as other affiliated business arrangements.

Groups such as the National Association of Mortgage Brokers (NAMB) have been pushing HUD to take a closer look at problems involving the alleged steering and consumer exploitation by builders. Marc Savitt, NAMB's vice president, has previously told RESPAnews, "These builders have insisted prospective homeowners use the builders' own mortgage companies and other specified services for the transaction – or go elsewhere," Savitt said. "These kinds of deceptive practices of homebuilders and other similar fraudulent activities are unfair to other real estate professionals, consumers and the industry as a whole."

Up Coming Events

March

- 21 11:30am Lunch Meeting
 Tucson Country Club
 Speaker: Daniel Thompson, FNMA
- 27 8:45-Noon Fraud Seminar
 Fidelity National Title
 1825 E. River Rd. #201
 Tucson, AZ 85718
 Members: \$10.00/ Non-members: \$15.00

April

- 6 11:00am Golf Tournament
 Arizona National Golf Club
 9777 E. Sabino Greens Dr.
- 18 11:30am Lunch Meeting
 Tucson Country Club
 Speaker: David Fitzsimmons, AZ Daily Star Editorial Cartoonist

Don't forget to "SWING" over to the 2007 SAMLA Golf Tournament.

This years tournament should be even better than last years. The weather is warmer, the prices are lower, and I don't know about you but my swing certainly has improved. We look forward to seeing everyone out this year. All proceeds go to the SAMLA Scholarship Fund, so it's a great reason to raise some money while getting out of the office. We will be having a dinner and awards ceremony right after the last hole so plan on staying. If you need any info about the tournament please contact any of the Board members or go to www.samlaonline.com and download the flyer there. Below are some pictures of the fun we had last year. Lets make this year the best and raise even more money.

Michael Bock





MORTGAGE BROKERS CALL FOR RESPA REFORM, IMPROVED AFBA PROTECTIONS

Compiled From RESPA News Monthly February 2007

The National Association of Mortgage Brokers (NAMB) has unveiled an ambitious policy agenda for 2007 that addresses RESPA reform, sham AfBA enforcement, abusive lending practices, the problem of rising foreclosures and protection of consumers' private financial data.

During a media conference on Feb. 22, NAMB said it will continue to advocate for RESPA reform in an effort to clarify and simplify the mortgage process for consumers. They presented HUD with a revised Good Faith Estimate in the summer of 2005 during the RESPA roundtables, which mirrored the HUD-1 form and helps reduce consumer confusion at settlement, Joe Falk (NAMB past president and current legislative chairman) said. He continued by saying, "Either all origination channels (disclose) yield spread premiums, or none of us do. It is appropriate to get concise, explicit, uniform information when shopping between direct competitors in the marketplace."

In 2007, NAMB will:

- Work with representatives from the Department of Housing and Urban Development (HUD) and Congress towards solutions that will ensure that consumers receive clear and comprehensive disclosure of vital information throughout the settlement process and not merely at the closing table;
- Advocate for independent, third-party consumer testing of any HUD proposed GFE form, or any other disclosure that is provided to a consumer before, during, and after the loan financing process;
- Promote efforts that ensure direct or indirect compensation received by any originator, regardless of distribution channel, is treated equally and in similar fashion to avoid competitive inequities and consumer confusion; and
- Encourage HUD to continue their enforcement efforts and advance development of industry guidance that will aid compliance with existing laws and regulations.

NAMB plans to promote legislative or regulatory efforts that will prevent a seller from:

- Refusing to sell based upon a consumer's refusal to use an affiliated or preferred settlement service provider;
- Increasing the cost of the property because of a consumer's refusal to use an affiliated or preferred settlement service provider;
- Conditioning incentives on the use of an affiliated or preferred service provider; and
- Requiring different terms and/or conditions to be met based upon the consumer's choice of whether to use an affiliated or preferred service provider.

On Feb. 26, NAMB also announced its support for U.S. Rep. Luis Gutierrez's ongoing efforts to improve the disclosure of all fees in the mortgage process. He held a press conference on Feb. 25 announcing he would soon introduce legislation that would require brokers to disclose, in writing, all fees and penalties associated with home loans. NAMB's official policy agenda calls for the creation of a mandatory payment disclosure sheet for all variable rate mortgages. The document would inform consumers about payment and interest variations and other key loan features such as prepayment penalties and negative amortization.

Gaslight Theater 2006

SAMLA Holiday Party

