

## **MBA National – Summary of State Legislative and Regulatory Committee Call May 15, 2014**

### National legislative and regulatory issues:

#### Proposed GSE reform bill:

- Discussion to segregate/separate “consolidators” from “originators”, so that large entity consolidators do not dominate the market as much and to continue to provide outlet and access to capital markets to small “originators”
- Proposal to exclude affiliated title insurance fees from 3% total points and fees cap for ATR
- Proposal to piggyback revision to tax laws to NOT consider forgiveness of debt in the event of short sale as taxable income
- Proposal to extend tax deductibility of mortgage insurance premiums for another two years.

Bill will likely not be voted on prior to November.

The standard NMLS “state” exam is now being used by 41 states.

### Proposed legislation from various states in various stages was discussed:

**[Victor’s comments are in brackets] The items that seem most noteworthy are in bold.**

CA – increase in conveyance tax for commercial real estate transactions

Proposal to consider fraudulent recorded documents null and void automatically [It was unclear how this differs from the current process now.]

**LA – proposal to have SAFE Act requirements apply to mortgage servicers, not just originators [I suspect this means education and testing, but it was not specified.]**

NE – State law proposed to prohibit each county, city, municipality from having its own rules with respect to foreclosure

MO – Bill to revise HOA dues priority

**Law to reconcile required timing of foreclosures with the timeframes required under Dodd Frank. [This does not surprise me, and we will likely see more of these revisions to laws as conflicts on timing requirements are discovered.]**

**RI – proposal to require recorded assignment of mortgage for all change of ownership in loan (ignore MERS) is likely dead**

OK – proposed bills to limit RE transfer fees charged by municipalities

MD- change in requirements for background checks for originators changing from licensure to registration, vice versa

NY – FHA loans are being considered “sub-prime” according to state law due to life-of-loan MIP, therefore bill to reverse is proposed

CT – Similar to NY, FHA loans were also being considered “non-prime” due to life-of-loan MIP therefore bill is proposed to exempt loans guaranteed by FHA

**CO – ballot proposal to slow down foreclosure process pending sufficient signatures- would require all endorsements on back of Note be recorded and all Assignments be recorded – retro to all existing loans**

FHFA CEO speech

Themes of discussion: Role of FHFA. Weighting of goals of the agency.

Private capital. Common securitization platform. Clarified reps and warrants of sellers.

MBA National – other announcements

William Kooper of MBA National: State partnerships: “half a dozen” have agreed to full partnership

Additional discussion: FHFA announced it will continue to prohibit Fannie/Freddie to purchase or guarantee loans with “PACE” loans (where solar/PV loans are given priority lien position similar to property tax liens).