

HAPPY NEW YEAR!!!

Only 89 DAYS 'til the 2007 Convention!!!!

Be sure to join the **top** of the Massachusetts Mortgage Industry at the **top** of Boston

Registrations are now open – Booth sales and sponsorships are selling fast!!!

April 4th & 5th, 2007

at the

John B. Hynes Convention Center

Click here for [Information & Convention Guide](#)

The Exhibit Hall will be free again to ALL registered attendees.

LOCAL & NATIONAL ASSOCIATION UPDATES

LEGISLATIVE/REGULATORY

NATIONAL

Board and OTS Issue Revised CHARM Booklet - On December 26, 2006, the Federal Reserve Board (Board) and Office of Thrift Supervision (OTS) released a revised Consumer Handbook on Adjustable-Rate Mortgages (the CHARM Booklet). NAMB and other organizations contributed revisions to this booklet which provides new information about interest only, pay option and "hybrid" ARMs as well as other updates. To view the press release, click [here](#)

New Fannie Mae Predatory Lending Policy Effective January 1, 2007 - In April, 2006, Fannie Mae amended its anti-predatory lending policies to impose eligibility requirements on the purchase of certain high-cost/high-risk mortgages effective January 1, 2007. The amended policies will prohibit Fannie Mae from purchasing any mortgage that is subject to the requirements of the Home Ownership and Equity Protection Act ("HOEPA"), or includes points and fees in excess of five percent or \$1,000.

LOCAL

Regulatory Update – EFFECTIVE JANUARY 2, 2007!

Regulatory Bulletin 5.1-103 - GUIDANCE ON NONTRADITIONAL MORTGAGE PRODUCT RISKS. - On January 2, 2007 the Division of Banks announced that the Proposed Regulatory Bulletin that was sent to the industry on November 14, 2006 is now in full force and effect as of January 2, 2007 without any changes. Although the Division found some merit in a number of the proposed revisions that were submitted to them by interested parties (the MMA submitted its comments on behalf of the membership on December 4, 2006), they concluded that the guidelines, as proposed by the Division should remain intact.

All licensed mortgage lenders and brokers should **immediately** establish procedures to comply with the Bulletin. For a copy of the Bulletin, refer to the Division of Bank's website at www.mass.gov/dob. The following is the Division's comments to questions submitted relative to the Bulletin that are published in their FAQ section of the website.

Regulatory Bulletin 5.1-103: Guidance on Non-Traditional Mortgage Product Risks FAQ's

QUESTION: Does Regulatory Bulletin 5.1-103 hold each mortgage lender and broker ("provider") responsible for ensuring that the loan terms and underwriting standards being used by each of the other parties with whom they transact business are consistent with prudent lending standards?

ANSWER: Yes. The Guidance states that providers should have strong systems and controls in place for establishing and maintaining relationships with third parties, including procedures for performing due diligence. In essence, providers that rely on third parties to transact business need to ensure that lending standards are not compromised by such third parties, and that mechanisms are in place to mitigate any risk to such standards throughout the lending process. For example, mortgage lenders often utilize mortgage brokers to originate nontraditional mortgage loans. As set forth more fully in the Guidance, lenders and brokers should have systems and controls in effect to ensure that the parties conduct due diligence in selecting and maintaining third party relationships. Mortgage lenders should monitor the quality and integrity of originated applications placed through third parties. Mortgage brokers should monitor guidelines and instructions provided by the lender to ensure that such standards do not cause the mortgage broker to compromise compliance with either the mortgage broker's own nontraditional mortgage product origination standards or applicable laws and regulations. Providers should ensure that such procedures set forth remedial measures to be followed when a potential conflict or violation is detected.

However, the Guidance should not be interpreted as modifying existing provisions of statute, as enforced by the Division, that mortgage brokers are not authorized to underwrite mortgage loans. Loan underwriting remains a function of the lender and, as such, the responsibility to maintain sound policies and practices in the underwriting of nontraditional mortgage products remains with the lender.

QUESTION: *Does the Division intend on issuing model consumer disclosures or proposed illustrations similar to those provided in the federal interagency guidance?*

ANSWER: The Division has closely reviewed the model illustrations that were published in coordination with the federal interagency guidance and is considering issuing similar illustrative samples which may be used by providers conducting business in Massachusetts. It is currently anticipated that the Division would permit a period for public comment on any proposed illustrations or disclosures.

Lobbying –The MMA is actively involved in the coordination of a national In-District lobbying campaign whereby local association members in each state will be asked to participate in local lobbying events. The goal is to meet with as many legislators while they are In-District during the winter break. If you have any interest in participating in this campaign, please call the MMA offices at (781) 246-0601 or email dleonard@massmort.org.

MEMBERSHIP

RENEWALS – If you have not already renewed your membership, it expired on **December 31, 2006!**
Be sure to renew as soon as possible to ensure that there is no lapse in membership benefits for your organization.

[Click here to renew on-line](#)

or call us at: (781) 246-0601

CONTESTS - The MMA & NAMB are pleased to announce its local and national membership contests. "Climb the Highest Peaks" is NAMB's quarterly membership recruiting contest designed to reward existing members who recruit new members to the association. The top 3 NAMB membership recruiters will be rewarded quarterly with a variety of prizes, including \$5,000 worth of internet advertising that will include top placement with major search engines, verified refinance internet leads, monthly 3-newsletters and many more useful tools or you can choose to receive \$2,500 cash instead. For more information on the contest details and other available prizes visit www.NAMBmembershipSummit.com/ma.

The MMA is offering its top 3 membership recruiters a grand prize weekend getaway, or you can choose to receive \$500 cash instead to the member who recruits the greatest number of new members beginning December 1, 2006 through March 31, 2007.

UPCOMING DATES & EVENTS:

2007 Legislative & Regulatory Conference
March 17-21, 2007
Wyndham Washington, Washington, DC

MMA Annual Convention
April 4th & 5th, 2007
John B. Hynes Convention Center

THANK YOU TO THE COMPANIES THAT SUPPORT THE MMA!



DOUBLE PLATINUM SPONSOR!

Birchwood Credit Services, Inc. is proud to be the Massachusetts Mortgage Association's (MMA) first Double Platinum sponsor and is committed to supporting the mortgage broker industry in Massachusetts and all of New England.

To celebrate their sponsorship with the MMA, they are making an exciting offer to the mortgage broker community. During the first quarter of 2007. Any MMA member who is not currently a Birchwood Client is offered use of Birchwood's [CreditXpert](#) and [Credit Assure](#) product free of charge, and with no obligation, for 30 days. During this 30 day period, members can use their credit rescoring product as many times as they like and see first hand how they can retain more customers and close more loans by maximizing their customer's credit score.

You will pay nothing for the [CreditXpert](#) or [Credit Assure](#) products you order during your 30 day offer period. This is their way of saying "Thank you" to the Members of the Massachusetts Mortgage Association. If you wish to take advantage of this offer, please contact Larry Avery or Terri Eldridge at 800-910-0015 for more information and to schedule your free 30 day usage period.



Quote for the Day:

"The willingness to risk failure in order to gain new skills, and to keep trying to master them no matter how often one fails, is an important factor separating the achievers from the mediocre players in the game of life."

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Brought to you by: The MMA - The ***only*** professional trade association specifically dedicated to serving the specialized needs of mortgage ***brokers*** throughout the Commonwealth and the leader in providing significant business services and educational opportunities to ***mortgage industry professionals*** throughout New England.

"Advancing higher standards for mortgage professionals; creating better results for consumers".

Thank you!

Executive Director