



HR 3915 Passed in the House of Representatives 291- 127
All-Originator Registry and Originator Compensation remain intact but the Battle in Washington Continues!

Dear NAMB Member,

Success! YSP PRESERVED. Today, the U.S. House of Representatives passed the final version of H.R. 3915, the "Mortgage Reform and Anti-Predatory Lending Act of 2007" on a vote of 291 to 127. This bill includes three important provisions that offer effective consumer protection without favoring any market competitor:

1. A National Registry of All Mortgage Originators -- Mandating an all-originator national registry will be the most effective protection consumers will have against bad actors in this industry. Its all-inclusive national scope means mortgage originators, even those at banks and lenders, who break the law, cannot move from state to state or from one company to another without being detected.
2. Enhanced Professional Standards for All Mortgage Originators - The bill as passed puts in place criminal background checks, fingerprinting, education and pre-licensure testing for all mortgage originators regardless of where they work. However, loan officers and employees of federal-depository institutions only need to be part of the national registry system and do not need to comply with this bill's enhanced education and testing standards.
3. Preservation of Mortgage Originator Compensation and Consumer Financing of Points and Fees - The original bill called into question the legitimate payment of the Yield Spread Premium, as well as the consumer's option to finance points and fees into the loan (or obtain a no-cost loan). Working with House Financial Services Committee Chairman Rep. Barney Frank (D-MA) and Representative Gary Miller (R-CA), NAMB was able to obtain clarifications that preserves the ability of consumers to finance origination fees, points and other closing costs into the loan rate or amount, and preserves the ability of mortgage originators to receive payment in such cases.

These provisions not only represent major victories for NAMB and for every mortgage originator, they are also victories for the consumers we serve. We commend Rep. Barney Frank (D-MA), Chairman of the House Financial Services Committee, and Rep. Spencer Bachus (R-AL), the Ranking Member of the Committee, for their leadership.

However, there are some provisions in the bill which NAMB did not support. These are located in Title III. We believe these provisions will have a broad and negative impact on the availability and affordability of all credit, and its effects will be felt most harshly by those with imperfect credit histories, even current borrowers who may seek to obtain a mortgage loan to refinance their home and resolve payment issues.

Meanwhile, the debate rages on in Washington!

The debate in the U.S. House of Representatives is over. Now, the Senate is considering FHA reform, and a bill on mortgage reform is expected any day. Industry eagerly awaits the release of HUD's new Good Faith Estimate and other aspects of RESPA reform. The Federal Reserve Board is also expected to release new regulations addressing unfair and deceptive acts and practices.

We Need More of You.

Your efforts on our behalf in the U.S. House of Representatives made the difference. But this is only the first step of many in a long process toward mortgage reform. Many challenges lie before us. We need you to remain vigilant, respond quickly when the Call to Action comes, and protect our ability to earn a living. Make no mistake, many wish to outlaw indirect compensation. At all cost, we must preserve the ability to earn yield spread premium.

It is said that for every one NAMB member there are 9 others who benefit from our efforts for free. This is not fair to those of you who have stepped up, paid your fair share and taken the steps needed to ensure the viability of the mortgage broker profession. For our voices to be heard even louder as we face new challenges, we need those loan originators who are not members of NAMB and the state affiliate to join. We need you to urge non-members to join NAMB Now! Ask them to visit www.joinnamb.org today. The stakes have never been higher.

Thank you for your continued support. Together, we can win this fight.

Sincerely,

George Hanzimanolis
NAMB President, 2007-2008

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