



# Meet the State Regulators

MBA's Legal Issues & Regulatory  
Compliance Conference

May 8, 2007



# Topics

- Mortgage Summit Recommendations
- CRA for Mortgage Lenders
- Governor Deval Patrick's  
Announcement on Requests for  
Foreclosure Delays



# Mortgage Summit

- Summit held in November 2006 with government, industry, and non-profits in response to:
  - Increasing instances of mortgage fraud
  - Numerous actions by Division and AG
  - Increasing interest rates
  - Soft housing market
  - Increases in foreclosure
- Goal: Develop short-term and long-term foreclosure prevention strategy



# Working Groups

- From the Summit, two working groups formed:
  - Rules & Enforcement, and
  - Consumer Education & Foreclosure Assistance
- Met Bi-weekly starting in January
- Report issued on April 11



# Recommendations

- Legislative
  - Criminalize mortgage fraud
  - Ban abusive foreclosure rescue schemes
  - Changes to foreclosure process, including a right to cure, and a database of foreclosures
- Regulatory
  - Increase net worth, bonding requirements for mortgage lenders and brokers
  - Increase experience and education requirements
- Partnerships and Collaborations
  - Homebuyer and foreclosure counseling
  - Website on financial resources
  - Lender forbearance
  - Intervention/rescue mortgage program



# Next Steps

- Governor Patrick has endorsed the recommendations
- Division tasked with drafting regulations and legislation
- Implementation committees will be necessary to implement other recommendations
  - Build off the progress and consensus of the Working Groups



# CRA for Mortgage Lenders

- Bill pending in Massachusetts would require CRA-like obligations for lenders making 50 or more mortgages (according to HMDA)
- Division would conduct examinations, assign public rating, issue public report
- Division must consider CRA record as part of renewal



# CRA for Mortgage Lenders

- Supported by Administration and the Division
- Division has been able to implement for credit unions. Told the Legislature we will find a way to make it work for lenders.



# Requests for Foreclosure Delays

- On April 30, Governor Patrick directed the Division to ask for foreclosure delay for anyone who complained to the Division
- Division will triage to determine status of consumer.
  - Encouraging consumers to call the Division before they reach foreclosure



# Requests for Foreclosure Delays

- Also ask the lender to consider any workout arrangement that the consumer may qualify for
- Referring consumers to counselors to help them sort out their options
- Trying to give consumers and lenders time to determine if any options exist to keep the borrowers in their homes



# Contact Information

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