

PRESIDENTS CORNER



VMLA's 2003
President, Steve
Rockefeller

The real estate market continues to thrive, making the mortgage industry a profitable yet exhausting industry to be in! Just a reminder- in these busy days, take care of your staff. Those are assets you do not want to lose! A "Thank you" or "Good Job" to your support staff in the office can make a huge difference!

The VMLA has been working diligently for you- and making our voices heard! Fay Silverman, Patty Beasley and I attended the Leadership Conference in Washington, DC mid March. We met with several senatorial and congressional aids to discuss items of interest to

the mortgage banking industry. Fay Silverman, your Legislative chairperson, will file a complete report. I encourage all of our members to consider attending this conference next year.

One of my goals as 2003 VMLA President is to encourage collaborative efforts between the state organization and local chapters. I am pleased to announce that our first collaborative function will be a golf tournament sponsored by the VMLA and Lynchburg MBA. The golf tournament is scheduled for June 12th at London Downs in Lynchburg. I understand that London Downs is a premier golf course, so be

sure to mark your calendars now for this fun event!

Plans for the 2003 convention are underway. Based on positive comments from our membership, Kingsmill Resort has been chosen as the site for this years convention. I understand that the convention committee has an exciting and informative agenda planned. Details will follow after the June Board of Directors meeting.

These are not only trying times for our industry, but also for our country. VMLA board member and friend, Boyd Allison, was recently

MISSION STATEMENT

To provide our members with the necessary resources, legislative voice, and education to be successful in the lending, marketing and servicing of real estate mortgage loans.

called to active duty. Please keep Boyd and his family, as well as all of our troops who are serving their country, in your thoughts and prayers. Boyd is and has been a long time supporter of VMLA.

Lastly, your education committee is making great strides in promoting education. If there are any requests for additional training schedules, please forward your requests to Deana Wilson. Her e-mail address is dwilson@managegroup.com

Have a great April,
Steve

CHAPTER CORNER

Charlottesville

The Charlottesville chapter saw a huge attendance at the VHDA homeownership education classes in February and March.

Lynchburg

No Report

Peninsula

No Report

Richmond

Education: The Richmond chapter held an AMB class in March. Pat Hunter of VHDA taught Closing, Shipping

and Warehousing. Thank you Pat, and all who attended.

Additional AMB classes to be held in 2003: Secondary Marketing, Basics I, and perhaps Processing.

On March 11th, a Self Employed Borrower seminar was taught by Sue Price of MGIC. Those in attendance will receive three AMB credits. These credits will be valid for three years towards the ten elective credits required.

Social: The RMBA held its monthly social at Cabo's Bistro 2053 W. Broad Street on Thursday, March 27th.

See Chapter Corner, Page 2.

CHAPTER CORNER

...continued from page 1

Roanoke

No Report

Tidewater

The Tidewater MBA held its second annual Installation Dinner & Awards Banquet on February 1, 2003 at the Princess Anne Country Club. It was attended by 85 people & the keynote speaker was U.S. Congressman Ed Shrock. He delivered an excellent speech which basically emphasized how strongly our industry has propped up the overall economy from falling further into a recession. It was quality event which we think will grow into an even larger & more successful event in the coming years. Our last event was the luncheon/workshop dealing with the "Self-employed Borrower Analysis" which took place March 12, 2003, in which 75 people attended.

The annual Golf Tournament has been set for May 12, 2003 at The Cypress Point Golf & Country Club in Virginia Beach; Details to follow!

April

| | | |
|--------|--------|---|
| 3 | 8:30am | Board Meeting |
| 1 & 3 | | Head for Home Class |
| 8 & 10 | | AMB Basic I Course |
| 10 | 5:30am | Member Social- Longbranch Steakhouse and Saloon |

May

| | | |
|---------------|--------|--|
| 1 | 8:30am | Board Meeting |
| 6 & 8 | | Head for Home Class |
| Week of 12-16 | | Golf Tournament (date to be determined) |

June

| | | |
|-------|---------|---------------------------------|
| 5 | 8:30am | Board Meeting |
| 3 & 5 | | Head for Home Class |
| 11 | 11:30am | Member Meeting – Freddie Mac |

BILLS PASSED

SB 1103 (Whipple): Predatory Lending — This bill contains recommendations from the Virginia Housing Study Commission to strengthen consumer protection measures in the Mortgage Lender and Broker Act. The main provisions of SB 1103 are:

- (1) Anti-Flipping — prohibits refinancing within 12 months unless the refinancing is in the borrower's best interest;
- (2) Adds mortgage brokers to the provisions of the statute;
- (3) License suspension – grants authority to the State Corporation Commission to suspend a person's license for various violations.
- (4) Report – a licensee must report to the Commissioner within 15 days of bankruptcy, felony indictment, or the commencement of proceedings by a state government authority.

Because of federal statutory preemption, this state law does not apply to national banks and federally regulated companies.

SB 1194 (Wagner): Ownership of real estate brokerages by state banks. SB 1194 sets forth the conditions under which ownership of state banks and real estate brokerages can occur.

SB 997 (Mims): Priority of liens – This bill is designed to protect government funds that are used to help low-income first home purchasers. In a refinancing, SB 997 gives first priority to the government's lien. The refinanced lien would be second in priority. This bill is trying to protect state and federal investments in low-income down payment programs.

HB 2653 (Albo): provides that a person cannot assign the \$500 fee that is owed by a lender for failure to release a deed of trust within 90 days.

The VMLA is assisted by its legislative counsel at the General Assembly — Ralph L. "Bill" Axelle, Jr. (804.783.6405) and Frederick P. Helm (804.783.6933) of Williams, Mullen, Clark and Dobbins.

RESIDENTIAL COMMITTEE MEETING REPORT

March 13, 2003

Speakers: VHDA: Michele Watson, Janice Burgess, Sheila Pollard

VA: Sara Hayden

FHA: Virginia Holman, Mary Ann Wilson

GRH: Michelle Corridon

VMLA Board and Committee Members Attending:

Steve Rockefeller, Margaret Sutherland, Linda Melton, George Moore, Sheila Pollard

VHDA:

Michele Watson:

- VHDA is exploring ways to tweak programs and streamline processes to improve production.
- Susan Dewey is attending NCSHA Legislative Conference in Washington, D.C. lobbying for Congress to eliminate the 10 Year Rule to enable Housing Finance Agencies to recycle loan funds that payoff after 10 years. Susan is also discouraging tax dividends that could eliminate the low income housing Tax Credit Program and ultimately reduce the sale of tax exempt bonds.
- VHDA is participating in the Genesis Program that is targeting African-Americans in the Richmond and Tidewater markets. The kick off of this faith based program was in January and held at the Baptist Convention. Currently, 31 churches are participating, and the response has far exceeded expectation. VHDA will now analyze these efforts to determine successes, and if this program will be appropriate for other parts of the state or other cultures. VHDA will be participating in homebuying fairs and festivals in Norfolk and Portsmouth, and will be working with Norfolk State and Hampton University to reach targeted markets.
- In the next fiscal year, VHDA will target the Hispanic population. A Spanish Homeownership Education video will be available in April.

Janice Burgess:

- VHDA is working with bond counsel to introduce legislation to allow income and sales price limits to be calculated from HUD Income Limits.
- With the seller driven market, VHDA would like to see more activity with the 103% LTV Conventional Loan Program with 3% to be applied toward closing costs.
- New Income and Sales Price Limits will be e-mailed, and mailed. The Flexible Alternative loan limits now include an increased limit for one person household.
- VHDA is now offering pricing options for the Flexible Alternative Loan Program.

Sheila Pollard:

- VHDA will add a Recapture Tax Page to their website. This will provide a simple explanation, and an income calculator with a graph illustrating how recapture tax may affect a customer.
- Updated Program Disclosure and Affidavit of Borrower and Recapture Chart will be mailed all Originating Lenders. Updated forms are readily available on the VHDA website.
- As required of all financial institutions, VHDA is in the process of developing an Information Security Plan to comply with the Safeguards Rule a required by the Federal Trade Commission. This may require an Addendum to the Originating Agreement to be executed by all Originating Agents.

VA:

Sara Hayden:

- The following personnel changes have taken place at the Regional Loan Center: Larry Blevins retired on 2/28, and John Detrick is moving to Nashville.

See Residential Committee Meeting Report, Page 4

RESIDENTIAL COMMITTEE MEETING REPORT

...continued from page 3

- Lenders should use VA website to reduce time in processing Certificates of Eligibility. Although VA strives to provide the best customer service possible, due to increased volume, they must discourage walk-ins at the Regional Loan Center.
- VA is exploring ways for lenders to access Electronic Data Interchange (EDI) at no costs.
- Roanoke is the fourth largest Regional Loan Center in the country.

FHA:

Virginia Holman:

- An FHA Update Seminar covering news, issues and concerns relating to underwriting and appraisals, REO, and Quality Assurance will be offered in Washington, D.C. on Thursday, April 24, 2003 from 9:00 a.m. to 4:30 p.m. Registration is free, however limited to three people per organization. For more details, or to register contact Thomas Bankins at [Thomas E. Bankins@HUD.Gov](mailto:Thomas.E.Bankins@HUD.Gov). This seminar will be offered through satellite broadcast in the Richmond office. Contact Virginia Holman regarding reservations for the satellite broadcast at 804-771-2100, ext. 3729.
- "Welcome Home", A National Fair Housing Month Symposium will be held in Richmond on Thursday, April 10th from 9 a.m. until 4 p.m. For more details, or to register contact Anne Davis at Anne.davis@hud.gov or call 800-842-2610. Space is limited.
- Mortgagee Letter 2003-3 dated February 25, 2003 immediately requires electronic filing of financial statements by all HUD lenders seeking recertification.
- There will be an REO Workshop in Richmond. Details will be provided.
- Teacher Next Door Initiative has been extended until March 31, 2004.

- HUD has eliminated PUD approvals. Still requires Condo approvals with full environmental review.
- Information is available on how to raise mortgage limits in your county. Contact Virginia Homan at 804-771-2100, ext. 3729.
- Proposed Rule for Adjustable Rate Mortgages was published on March 11, 2003. Comments are due by May 12, 2003.
- Proposed Rule regarding Flipping will be out soon.
- Beginning March 15, 2003, HUD will begin printing MIC's on plain white paper. Blue or green paper will no longer be used. See Circular Letter PH03-01.
- Lenders are reminded of the Soldiers' and Sailors' Civil Relief Act of 1940. To benefit from this Act, active duty personnel and reservists should inform their lenders that they have been called to active duty.
- Default rate has been increasing. Refer to Mortgagee Letter 03-4 for more details.

Mary Ann Wilson:

- HUD is striving to make improvements and for excellence.

GRH:

Michelle Corridon

- GRH Income Limits are to be available by the end of March. Lenders should expect the same or increase in limits. Limits are available on the website.
- Funds will carry over in the Guaranteed Program until they are completely expended.
- GRH is focusing on minority outreach.
- Lenders should be using form 1980-21 updated 01/03.
- GRH Information for Mortgage Lenders flyers are available to assist lenders.

Please Note: The June meeting of the Residential Committee has been cancelled due to the conflict with the golf tournament. Members will be notified of a new date.

COMMITTEE REPORTS

Convention

The VMLA Convention committee is busy working on the 2003 convention. The convention will be held from November 5th through November 7th at Kingsmill Resort. Everyone attending the 2002 convention had a great time...so, plan now to attend!

Education

Look for AMB (Accredited Mortgage Banker) course offerings in your local chapter. We have 19 classes scheduled around the state for 2003. This is great training for new personnel and an impressive designation to show off to your customers and employers. Complete six core courses and earn ten elective credits within a three-year period. There's even an option to test out of two of the courses for the experienced mortgage banker. See your local education chair or check the website for course offerings, list of education chairs, the AMB program description and more: www.virginiaml.com

Help Wanted

Looking for Instructors! We need your expertise! Certified Faculty Members earn \$200 to teach each eight-hour course. Courses include Mortgage Banking Basics I & II, Regulatory Compliance, Processing, Closing, Shipping & Warehousing, and Secondary Marketing. Criteria for faculty membership;

-Have at least five years experience in the mortgage business

-Have two years experience in your field of expertise

-Agree to assist in the evaluation of the course content for your specialty once each year

-Submit a written request (form) for candidacy

-Submit Instructor Credential Reports as you teach future classes to maintain your status

Please contact your local education chair or Dotty Acampora, Accredited Mortgage Banker, TMBA and VMLA Education Chair at cell phone (757) 434-3890 or please email: dotty@home-world.com

Ethics

No Report (No news is good news!)

Golf Tournament

Get your foursome ready and mark your calendars for Thursday, June 12th !! The Lynchburg Mortgage Bankers Association in conjunction with the VMLA will be sponsoring a golf tournament at London Downs in Lynchburg. London Downs is a beautiful course...so, you won't want to miss this one! More information on registration is forthcoming!

Legislative

*The 2003 General Assembly
'A Lot of Action in a supposedly
"Quiet" Session'*

The 2003 General Assembly

addressed over 3,000 pieces of legislation. Because of the revenue difficulties facing the Commonwealth, the 2003 session of the General Assembly focused much of its time on budget issues. Allocating scarce resources and determining priorities was a major source of interest.

Nonetheless, the General Assembly found time to introduce, debate and pass major legislation affecting the mortgage lending profession. An election year is always interesting, and this one was no different. The Virginia Mortgage Lenders Association (VMLA) and other interested parties followed closely and participated in the debate over many bills being considered by the legislature.

The General Assembly passed the following bills with input from VMLA and a host of other interested parties. The Governor, prior to the Reconvened Session on April 2, 2003, may amend all of these bills. At that time the General Assembly votes on any amendments or vetoes proposed by the Governor. (These bills can be viewed by going to the following website and entering the bill number: <http://leg1.state.va.us/lis.htm>)

Membership

Please be sure to keep your eyes open... invoices for VMLA membership dues have been mailed. In addition to submitting your dues promptly, please take the time to complete the VMLA Membership Survey.