

SUMMARY OF CURRENT LEGISLATIVE AND REGULATORY ISSUES

GSE REFORM

MBA urges Congress to move forward on thoughtful, comprehensive GSE reform legislation that focuses on certain principles that are critical to ensuring the long-term health of the secondary mortgage market.

These principles include: competition and strong regulation; equal market access for lenders of all sizes/business models; preserving a strong public mission; and maintaining a deep, liquid market for long-term single- and multifamily financing options.

MBA's white paper, released in April, outlines a detailed end state solution that will work for the single- and multifamily markets as well as the transition steps to accomplish that goal. It is available online at mba.org/gsereform.

SAFE ACT AMENDMENTS

The Secure and Fair Enforcement for Mortgage Licensing (SAFE) Act of 2008 created two systems for mortgage loan originators. Bank MLOs merely need to be NMLS registered, whereas MLOs working for non-bank lenders must be licensed, which includes standardized testing/education requirements, as well as criminal/financial background reviews by state regulators, in addition to registration.

If a bank MLO wants to move to a non-bank lender, they must cease loan origination activities until they achieve licensure. This requires the MLO to forego weeks/months of income.

Bills have been introduced in the House (H.R. 2948) and Senate (S. 1753) to provide for a 120-day "transitional authority to originate" period for bank MLOs moving to a non-bank lender, or MLOs already working for a non-bank lender seeking licensure in another state.