

November 14, 2007

Dear UMLA Members & Friends,

On Thursday, November 15, 2007, the United States House of Representatives is expected to take up consideration of HR 3915, the "Mortgage Reform and Anti-Predatory Lending Act of 2007". The Mortgage Bankers Association (of America) and the National Association of Mortgage Brokers are working with members of Congress to affect change to the bill based on the respective positions of those organizations.

In hopes of supporting those national efforts, UMLA offers the following "call-to-action" materials for your review and consideration. The following page is a position paper on HR 3915, which briefly outlines the issues that UMLA supports and opposes in the bill. The third page in this package provides a list of recommended changes to the bill, which we hope will be included in amendments offered during debate on the House floor.

If you agree with the concerns of UMLA, then please use one or more of the enclosed form letters to communicate with your member of Congress -- or all three members from Utah. We would encourage you to copy the letter(s) on to your own letterhead and to add your name, title, and phone number so that the member of Congress or staff may contact you should they have need.

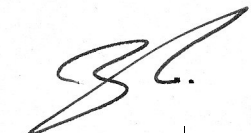
Finally, we ask that any communication you might send to any member of Congress be polite, professional, and concise.

Thank you for your time, consideration, and action on this important matter.

Respectfully yours,



Glen Ogden
President of the Board



John Norman
Executive Director

Utah Mortgage Lenders Association

Position Paper H.R. 3915

“Mortgage Reform and Anti-Predatory Lending Act of 2007”

The Utah Mortgage Lenders Association (“UMLA”) remains opposed to H.R. 3915. We are grateful to Chairman Frank, ranking member Bachus, and members of the House Committee on Financial Services for their consideration of input from industry and consumer advocates. The Manager’s Amendment of November 6, 2007 made positive changes to the bill. However, we remain concerned that the bill would limit consumer access to credit at a time when product choice and credit availability are of critical need to current and prospective homeowners. Congress should avoid limiting loan products or terms, negatively affecting how mortgage loans are priced, and restricting methods of compensation for those who provide access to mortgage capital.

UMLA Supports:

- A national registry of all loan originators.
- The adoption of national standards for state licensing, which could facilitate full or partial reciprocity between states.
- Defining a loan originator’s relationship to a borrower as a “duty of care” rather than as an agent with fiduciary responsibilities.

UMLA Opposes:

- Regulation of mortgage products at a time when credit is severely limited.
- Uncertainty as to when Yield Spread Premium and other forms of compensation would or would not be considered an “incentive” to sell.
- Requiring loan originators to judge the net tangible benefit of a loan while removing the borrower from that consideration of their own asset.
- Legislation that will increase investor liability through civil action.

Please take action to resolve these issues before the bill moves to the House floor.

The Utah Mortgage Lenders Association (“UMLA”) was founded in 1997 when the Utah Bankers Association and the Utah Association of Mortgage Brokers merged to represent Utah’s residential lending industry. The UMLA represents over 2,000 people who are mortgage bankers, mortgage brokers, and industry service providers who do business in Utah. Information about UMLA is available at our web site: <http://www.UMLA.org>.

Utah Mortgage Lenders Association
60 South 600 East, Suite 200
Salt Lake City, UT 84102
(801) 363-1353 / Fax: (801) 363-1352

Utah Mortgage Lenders Association
Recommended Changes to H.R. 3915
“Mortgage Reform and Anti-Predatory Lending Act of 2007”

- Clarification is needed within Section 103, “Anti-Steering”. Congress should make clear that loan originators are permitted to receive indirect compensation, including Yield Spread Premium. We seek clear definition of the terms “incentive”, “prime loan”, “non-prime loan”, and “sub-prime.”
- Relative to Section 202, “Net Tangible Benefit,” Congress should allow borrowers to determine this standard for themselves and avoid placing loan originators in a position of judging the borrowers’ intentions for use of their own asset.
- Clarification is needed under Section 102(a), (1), (B), “Duty of Care” as to the definition of “range of residential mortgage loan products”. We question whether such a “range” must include a variety of different loan products, or if variations of terms on a given loan product would suffice. Furthermore, we hope to clarify the number of options that would be required in order to constitute an acceptable “range”.
- Clarification is needed under Section 202 (2) “Certain Loans Providing no Net Tangible Benefit.” It appears that the intent is to prohibit fees and costs greater than the new (refinanced) loan amount. However, the section could be interpreted to prohibit any higher principal amount when refinancing, which could prohibit all “cash out” options.
- Change is necessary under Section 203 (c), (3), (C), (vi), (I), “Qualified Safe Harbor Mortgage,” to allow safe harbor for adjustable rate mortgage products for which the “fixed” term is less than seven years.
- Clarification is necessary under Section 203 (c), (3), (C), (vi), (II), in reference to “... a margin that is less than 3 percent over a single generally accepted interest rate index...” UMLA encourages distinction between a variance of three-percent and 300 basis points.

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Salt Lake City, UT 84102
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November 14, 2007

The Honorable Jim Matheson
United States House of Representatives
1323 Longworth House Office Building
Washington, DC 20515-0001

Fax: (202) 225-5638

Dear Representative Matheson,

H.R. 3915, the "*Mortgage Reform and Anti-Predatory Lending Act of 2007*" is expected to be delivered to the House floor tomorrow, Thursday, November 15. I am concerned about certain aspects of the bill and ask your assistance to affect positive change.

The bill in current form would have broad impact on how loans would be originated, priced, and sold on the secondary market. I encourage Congress to distinguish between the regulation of people and the regulation of loan products.

Please consider that the majority of real estate sales, finance, and settlement services conducted in Utah are provided by thousands of small business people. Please also consider that "mortgage money" comes to us from national and international investors who are free to determine their own tolerance for risk.

Limiting product terms and increasing liability to purchasers of loans would threaten investors and would decrease the availability of credit to consumers. Now is a time when we need to attract investor capital, not drive it from our shores.

In trying to solve the credit crisis and address abusive practices of some consumers and some people in our business, HR 3915 may hinder our ability to recover from current market conditions. I offer the following information for your consideration in hopes that consumer access to credit and my profession are protected from certain unintended consequences of the bill.

Thank you for your time and consideration of my concerns.

Sincerely,

November 14, 2007

The Honorable Christopher B. Cannon
United States House of Representatives
2436 Rayburn House Office Building
Washington, DC 20515-0001

Fax: (202) 225-5629

Dear Representative Cannon,

H.R. 3915, the "*Mortgage Reform and Anti-Predatory Lending Act of 2007*" is expected to be delivered to the House floor tomorrow, Thursday, November 15. I am concerned about certain aspects of the bill and ask your assistance to affect positive change.

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Thank you for your time and consideration of my concerns.

Sincerely,

November 14, 2007

The Honorable Robert William Bishop
United States House of Representatives
124 Cannon House Office Building
Washington, DC 20515-0001

Fax: (202) 225-5857

Dear Representative Bishop,

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