



PRIME Interest



**Look for information about our upcoming
events and meetings at our website:
www.NAPMWHouston.org**

Hello NAPMW Houston!

There are so many times we have heard, "we are getting back to the basics". That could be the banner for 2007 - 2008 in the Mortgage Industry; we are getting back to the basics. Shock as it may be for many of us, there was a day that we sold 30 year fixed, 15 year fixed, and a one year ARM for Conventional, FHA, and VA financing and we made a GREAT living. As I open emails daily from lenders and mortgage insurance companies, it certainly looks like we are returning to the "basics". Certainly with high enough credit scores and enough down payment we still receive SISA or Eligible or Accept Plus findings but more often than not... we are looking for the extra help.

What message do I have for you now? You have to sharpen your tools, get educated and be prepared! In Houston we still enjoy a market unlike most of the Nation. We have to know what is available, what will work, and how to get it done. NAPMW-Houston is an incredible Association with a great mixture of Lenders, Service Providers, Brokers, and Bankers. Our Charter is based on Education and we are here to help! You might ask how? At the very minimum, we offer education that not only provides Continuing Education Credits, but keeps you up to date on the changes.

In September, First Horizon sponsored an Education Class on FHA. In October we will offer the updates in the Appraisal industry, taught by our very own Michael Brubaker. You really shouldn't miss this class.

The fundamentals of our success continue to be prospecting, following-up, and putting the time and effort that enables you to go above and beyond your client's expectations. Did you catch that? The Client's expectations. NAPMW-Houston wants to help you sharpen your tools... and maybe even add to them.

Please read our entire Newsletter, as we have an incredible General Meeting planned, Multi Cultural Selling.

I hope for YOUR success,



Kathryn Hardeman
NAPMW Houston-President
2007 - 2008



October's General Meeting

Topic:

VIP Night - Multi-Cultural Selling

Tuesday

10-09-2007

5:30pm Networking and Check-In
Starts at: 6:00pm for 2 Hours

Location: HESS Club
For more information,
contact Robin Lyons 713-871-0005

Guest Speaker:

Dr. Oscar Gonzales

\$30 for Members
\$35 for Future Members

A special thanks to all our sponsors and supporters.
NAPMW Houston accepts Master Card, Visa, and Checks.

Industry Updates & Interesting Articles

NAMB President on CNBC's "Closing Bell with Maria Bartiromo"

See NAMB President George Hanzimanolis, CRMS on CNBC's the "Closing Bell with Maria Bartiromo" discussing whether the Fed rate cut and potential reforms will likely help troubled homeowners or foster speculators' appetites. To view the clip, click on the following link:

<http://www.cnbc.com/id/15840232?video=523598563>

[The Fed's Irresponsible Move](#)

Source: BusinessWeek

Byline: Vitaliy N. Katsenelson

Indexed on: 9/21/2007

Abstract: I've seen this movie before, and it doesn't end pretty. That's what I thought on Sept. 18 when Federal Reserve Chairman Ben Bernanke took the road so often traveled by his predecessor, Alan Greenspan, and threw the financial markets a sop in the form of a big cut in interest rates. It was clearly what the markets wanted, as the immediate 336-point jump in the stock market confirmed. But popular decisions are not always the right decisions. (Just consider Greenspan's popular 2001 interest rate cuts, which actually caused the current housing bubble.)...

[Congress warned: Easy on loan fix](#)

Source: CNN Money.com

Byline: Jeanne Sahadi

Indexed on: 9/20/2007

Abstract: NEW YORK (CNMoney.com) -- Make more money available for mortgages to ease the credit crunch. Give borrowers greater protection from predatory lenders. And encourage homeowners to call their bank....

[Bernanke: Fresh Assurances on Economy](#)

Source: Associated Press

Byline: Jeannine Aversa

Indexed on: 9/20/2007

Abstract: WASHINGTON (AP) -- President Bush acknowledged "some unsettling times" in the country's troubled housing and credit markets, while Federal Reserve Chairman Ben Bernanke offered fresh assurances steps would be taken to curb the fallout.....

[Accord Seen on Revising Mortgage Rules](#)

Source: New York Times

Byline: Edmund L. Andrews

Indexed on: 9/20/2007

Abstract: WASHINGTON, Sept. 20 — The Bush administration, bracing for a tidal wave of home foreclosures by people with subprime mortgages, is softening its opposition to Democratic proposals to expand the giant government-sponsored mortgage finance companies....

[The Week of Saying Never Mind](#)**Source: New York Times****Byline: Floyd Norris****Indexed on: 9/21/2007****Abstract:** Six weeks ago, the Federal Reserve thought the American economy would easily weather problems in the credit market. One week ago, the Bank of England warned against the risks of bailing out those who had made risky loans....**[Credit Turmoil Bruised Most on Wall Street, but Pain Was Not Shared Equally](#)****Source: New York Times****Byline: Eric Dash and Landon Thomas Jr.****Indexed on: 9/21/2007****Abstract:** There was gloom but not doom....**[Bear Stearns Profit Plunges 61% on Subprime Woes](#)****Source: New York Times****Byline: Michael Grynbaum****Indexed on: 9/21/2007****Abstract:** Bear Stearns, rocked by the collapse of two hedge funds in the subprime mortgage crisis, said today that its third-quarter profit plunged 61 percent, hitting the lowest level in five years and topping off a painful summer for the Wall Street brokerage firm.....**[Strapped Borrowers Urged to Act](#)****Source: Washington Post****Byline: Neil Irwin****Indexed on: 9/21/2007****Abstract:** Borrowers at risk of falling behind on their mortgages should engage their lenders early to try to avoid major problems, three top government officials said yesterday....**[Credit Crunch Rattled Wall St. Powerhouses](#)****Source: Washington Post****Byline: David Cho****Indexed on: 9/21/2007****Abstract:** Wall Street's most important investment banks amassed about \$5 billion in losses from bad loans in three months due to the credit crunch that has been squeezing the financial system....

Changes in MI...everyone is changing

As a leading mortgage insurance providers monitor the volatility in the marketplace, as well as adequacy and risk factors relative to their guidelines. And we will keep evaluating these important factors as the mortgage market undergoes changes. Based on a recent review, we noticed borrower-paid and lender-paid mortgage insurance guidelines as follows,

no longer insure loans with LTVs greater than 95% that have FICO scores less than 575, regardless of the automated underwriting system (AUS) decision.

In addition, mortgage insurance companies are subject to state oversight, and recently received direction from the state of New York on its allowable maximum terms. As a result:

Companies will implement a new term limit schedule for *interest-only loans* on properties in New York State. The new term limits are as follows: (for those of us doing business in NY)

Loan Terms (Years)	Maximum Interest-Only Term (Years)
15	5
20	7
25	8
30	10
40	11

- Loans with **LTVs greater than 85%** with **credit scores less than 575** are ineligible for mortgage insurance, regardless of the DU® or LP® recommendation.
- All ARMs with **LTVs greater than 95%** with credit scores **less than 620** with a first rate adjustment of less than 5 years are ineligible for mortgage insurance (for example, Pay Option ARMs, 1/1 ARMs, and 3/1 ARMs).
- Until further notice, most companies will temporarily suspend insuring all loans with **LTVs of 97.01% and greater** with DU recommendations of Expanded Approval Level II and III, and DU Refer with Caution.

Houston and the sub-prime meltdown

Submitted by: Mike Brubaker, President, Brubaker and Associates, Inc.

What is the "sub-prime meltdown and how did it happen? The problem really started back in 2003. Interest rates bottomed out at less than 5% for a 30-year, fixed rate mortgage. That year, mortgage lenders originated a record volume of loans (approx. \$3.8 trillion). In the year 2001, we originated a more normal volume of \$2.1 trillion in loans. That means that between 2001 and 2003 the volume of loans originated nearly doubled.

Then, in late 2003, interest rates started to creep up. Mortgage origination volume began to fall off of its record high. Mortgage lenders were losing volume and needed to make more loans. How to do it? They created new mortgage products to attract more borrowers. Low doc loans, no doc loans, 100% loans, and adjustable rate loans with outrageously low teaser rates, pick your rate loans, etc. Lenders started to look at potential borrowers they previously ignored like borrowers with less than stellar credit, known as B and C borrowers.

The problem here is, no one is lending their own money anymore. Lenders create loan packages and bundle them into mortgage-backed securities and sell them to investors on Wall Street. The Wall Street investors had no previous performance records on these types of portfolios. Initially, these packages performed well, and the returns were high. Wall Street developed an appetite for these products and their seemingly great returns, and asked the lenders for more. The lenders designed more creative (and riskier) loan packages. Wall street eagerly bought them up. Then those mortgage portfolios started to perform like the risky products they are. Default rates escalated. Returns plummeted. Add in the straw that broke the camel's back, declining housing prices, and you now have the perfect storm.

Many markets, (not Houston) are now experiencing a market correction. These markets were over-heated. Real estate prices were appreciating at unrealistic and un-sustainable rates. Much of this appreciation was based on the greater fool theory. That's the belief that if you make a questionable investment, you will be able to sell it later, to a

"greater fool" for more. This is buying, not because you believe the value is there, but because you believe you will be able to sell it later for an even higher price. Sooner or later, someone becomes the last fool. Sales prices in many markets are now declining and will continue to decline until they reach prices that are sustainable in relation to incomes in their own markets.

In an appreciating real estate market, a borrower who can no longer make his payment can usually sell their way out. The house is typically worth more than he borrowed. Sell it, pay off the lender and all is good. It doesn't work like that if property values are declining. Foreclosure may be his only way out. So here we are. The mortgage markets are collapsing under their own weight. This is a crisis caused by greed. Whatever happened to common sense lending?

Is this affecting Houston? Many borrowers loans are now adjusting to higher rates with payments the borrower cannot afford. Our foreclosure rates are up. But, our local real estate market was not affected by the over-heated appreciation that was experienced in other markets like Florida, California, and Las Vegas. Local property values are currently stable or appreciating in most neighborhoods.

At the present time, investors and homeowners are eagerly purchasing these foreclosed properties. The Houston market is absorbing these properties with little to no adverse impact on surrounding properties in the community. Will our market continue to absorb these foreclosures? Hopefully so. Any student of economics will tell you, it's all about supply and demand. Our property values will remain stable or better as long as the supply of readily available homes does not exceed the demand for those homes.

What are my predictions for the Houston real estate market? My crystal ball gets a little fuzzy beyond what I'm having for lunch today. But, so far, I see job growth and continued demand for housing in our market. I'm bullish on Houston home values.

Mike Brubaker

President, Brubaker and Associates, Inc. e-mail: mbrubaker@HoustonAppraiser.com

What's New at FHA!

Outlined Notes from the FHA National Lender Training
September 5-7, 2007

1. **Top Counties for FHA loans: Tarrant, Harris, Dallas, some county in Georgia, Bexar.**
2. **FHASecure – see Mortgagee Letter 07-11**
 - a. Effective immediately and expires 12/31/08 (some confusion on expiration date – may be 2009 instead of 2008)
 - b. Program is to refinance loans that are delinquent due to ARM resets
 - i. Must have 6 months of payments paid during month due prior to reset
 - ii. Reset must have caused delinquency and underwriter must note on MCAW
 - iii. Lender can obtain a second lien to fill the gap over statutory loan limits; second lien can be due on sale or forgivable
3. **FHA Modernization Bill – expected implementation 1/1/08**
 - a. Increase down payment flexibility
 - b. Raise loan limits
 - i. California to \$417,000; Texas to \$262,000
 - c. Condos will be treated as regular single family property
 - i. Risk has been lowered
 - ii. Condos represent 25% of new sales & 12% of existing sales of homes
 - iii. Will have standard 203B MIP
 - d. Reverse Mortgage changes
 - e. Risk based pricing
 - i. Risk that borrower poses to FHA insurance fund
 - ii. Based on borrowers' profiles, credit scores, & down payment
 - iii. Range of MIPs
 - f. MCAW is to be replaced
 - g. Case Binder reform
 - h. Respa Reform
 - i. Assist borrowers to shop for best mortgage
 - ii. Clearer disclosures on fees
 - iii. Limit closing cost increases at closing
 - iv. Standardize Good Faith Estimate
 - v. Modifying HUD-1
4. **Manufactured Home Changes**
 - a. Model Installation Standards coming out next week
 - b. Old guide being retired; simpler; no engineer's cert but inspection
5. **Neighborhood Watch**
 - a. Public section – do not have to be FHA lender to access some info
 - b. Report fraud here!
6. **Credit Score**
 - a. Will have a minimum required score – probably effective 1/1/08
7. **Seller sponsored gift programs (Nehemiah-type) will no longer be acceptable**
 - a. No date set for cut off

Disruptions in Mortgage Originations August 2007

Sponsored By: Inside Mortgage Finance Publications, Inc. & Conducted By: Campbell Communications, Inc.

During the period August 23-31, 2007, Campbell Communications conducted a survey of mortgage brokers. The survey, "Survey of the Changing Mortgage Market" August 2007," is the first in a series of specialized surveys on recent mortgage market developments. The survey was sponsored by Inside Mortgage Finance, a leading industry publication subscribed to by many large mortgage lenders and other industry players.

Our survey developed real-time data on the mortgage broker channel such as:

- Mortgage broker production in August 2007 vs. August 2006
- Prevailing minimum FICO scores by loan category
- Prevailing maximum LTVs by loan category
- Brokers' most frequently used lenders in August 2007
- Brokers' preferred lenders going forward
- The proportion of lenders no longer accepting applications or funding loans
- The extent to which mortgage brokers are submitting identical applications for the same borrower to multiple lenders
- The proportion of conditionally approved applicants being declined in final underwriting
- The proportion of mortgage broker customers unable to refinance ARM resets
- The proportion of mortgage broker customers with signed Purchase & Sale agreements unable to close their transactions

Summary of Selected Survey Results

- The survey found substantially reduced mortgage broker production in the month of August 2007 as compared to August of last year. Production of prime conforming loans was down approximately 20% while production of Alt A loans was down nearly 50%.
- About 33% of home purchase closings of mortgage broker customers were canceled during August
- During August, 57% of brokers' customers could not refinance adjustable rate mortgages (ARMs) that had resetting interest rates.
- Fifty-six percent of subprime homebuyers in August had canceled closings while 21% of homebuyers seeking prime conforming mortgages had canceled closings.
- Sixty-four percent of subprime homeowners could not refinance while 50% of homeowners seeking prime conforming mortgages could not refinance during August.
- Mortgage broker survey respondents indicated that the maximum acceptable LTV for prime jumbo production has tightened substantially and now averages 90%, the lowest of any of the four product categories surveyed.
- For prime jumbo loans, the minimum acceptable FICO score now averages 679, the highest of the four product categories surveyed.
- Survey respondents indicated that one-third of their most frequently used subprime lenders in August are no longer accepting applications or funding loans. For prime jumbo lenders, approximately 15% are no longer accepting applications or funding loans.
- For prime conforming production, Countrywide was most often selected as the most likely lender going forward; for subprime production, First Franklin, a unit of Merrill Lynch, was most often selected.
- On average, mortgage brokers are currently submitting 1.7 applications for prime conforming loans; another Campbell Communications survey of mortgage brokers in 2006 found only 1.2 applications submitted on average for prime conforming loans.

The entire report is provided to you through the following link:

<http://www.campbellsurveys.com/BrokerReports/RewardPackage-SpecialSurvey8-2007.pdf>

Breaking News: RESPA reform rule coming soon!

By Robin Wardzala

After years of waiting and wondering, the Bush administration has finally confirmed a timetable for the release of the new proposed rule for RESPA reform. The White House stated that the rule will be put out this fall, but HUD has provided a more detailed look at what will occur and when. At an Aug. 31 speech in the White House Rose Garden, President George W. Bush announced his administration's new plan to stabilize the mortgage industry. Along with proposals for a new FHA refinancing product, the president announced that RESPA reform is back on the menu, and that the new proposed rule will be coming out this fall. "This administration will soon issue regulations that require mortgage brokers to fully disclose their fees and closing costs. We're pursuing wrongdoing and fraud in the mortgage industry through the Department of Housing and Urban Development, the Department of Justice, the Federal Trade Commission, and other agencies.

In other words, if you've been cheating somebody we're going to find you and hold you to account," Bush said. He added that the federal government is also "taking a variety of actions to make the mortgage industry more transparent, more reliable and more fair, so we can reduce the likelihood that these kind of lending problems won't happen again. Federal banking regulators are improving disclosure requirements to ensure that lenders provide homeowners with complete and accurate and understandable information about their mortgages, including the possibility that their monthly payments could rise dramatically. In other words, we believe that if the consumer is better informed, these kinds of problems are less likely to arise in the first place." More specifically, a White House release said, "This fall, HUD will propose reforms to the Real Estate Settlement Procedures Act (RESPA) that would promote comparative shopping by consumers for the best loan terms, provide clearer disclosures, limit settlement cost increases, and require fee disclosure."

Although some Bush aides have stated that the new RESPA rule will be released within the next month, a senior HUD official clarified that the proposed rule "will be going to OMB more than likely within 60 days." OMB will have up to 90 days to review it, and then the proposed rule will go to Congress. "We anticipate that probably early 2008 it will be put out for public comment," the HUD official stated. This timeline is in keeping with HUD's previous promises to let OMB and Congress have a look at the proposed rule before they release it for public consumption. Although some speculation has indicated that certain industry groups might be allowed an early look at the proposed rule as well, it isn't clear at this point if that will happen or not.

The timing of this announcement is most likely not a coincidence, as Congress is now returning from its August break and will be examining a number of mortgage reform proposals in the coming weeks.

On Sept. 5, the House Financial Services Committee will hold a general oversight hearing on the current crises in the credit markets, mortgage market and the implications for the U.S. consumer and the economy. The committee will hear from federal officials as well as mortgage industry representatives. Rep. Barney Frank (D-MA), Chairman of the House Committee on Financial Services, responded to the president's plan by saying, "I welcome the Administration's recognition that a greater public response is required and I look forward to working with them because I agree with a number of specific things that they propose. The Financial Services Committee has already advanced legislation, including a GSE bill that awaits Senate consideration, and we hope to send the FHA bill over soon. We also are working with the Ways and Means Committee to address the tax issues involved." However, Frank said, "I agree that the rules that regulators have developed for banks have been good ones, but I believe that federal action is necessary to apply them to all originators and the time for further study is over."

Mortgage Bankers Association (MBA) Chairman John Robbins also responded to the Bush announcement, saying, "Making the mortgage process simpler and more transparent is a critical part of helping future homeowners avoid the problems we are seeing today. And we look forward to working with the Administration to achieve that goal. Borrowers are smart and when presented with clear, concise information, they will make good decisions. That is why we need to make the process simpler and easier so every borrower understands exactly what they are signing up for when they sign their mortgage on the dotted line." And National Association of Realtors (NAR) President Pat V. Combs said NAR "strongly commends President Bush for his leadership in proposing a set of policies designed to ease the crisis in the mortgage industry and halt the rapidly increasing rate of foreclosures affecting many American families today."

RESPA news will be following the fallout from this announcement and the progress of the new RESPA reform proposal as it finally makes its way out of HUD's door, so stay tuned.

Feedback? Contact Robin Wardzala at rwardzala@octoberresearch.com.

NAPMW Headquarters Heads Up

Thank you to all of you who participated in NAPMW's recent 2007 National Member Survey. The input you provided was most helpful during the recent Strategic Planning Session and National Board Meeting held in Amarillo, Texas. As the data is analyzed, the National Board looks forward to sharing the results of the Survey with you.

The National Board especially appreciated your thoughts concerning the name of the organization – The National Association of Professional Mortgage Women. As the responses to the questions concerning the name change were not consistent, the National Board is asking that you provide clarification concerning your position on whether or not to change the name of NAPMW via this *Headquarters Heads Up*.

Please respond to the one, brief question below by replying to info@napmw.org.

QUESTION: What is your position on changing the name of the Association?

ANSWER: I am not in favor of a name change.

I am in favor of a name change.

Your Name & Local Association (Optional): _____

THANK YOU AGAIN FOR HELPING SHAPE THE FUTURE OF YOUR ORGANIZATION!

Region Conferences

Don't miss these excellent conferences packed full of networking and education opportunities to help you advance your career.

- Greater Northeastern Region, October 5 – 6, 2007, Albany, NY – [more information](#)
- Northwestern Region, October 12 – 13, 2007, Tukwila, WA – [more information](#)
- Central Region, October 18 – 20, 2007 – [more information](#)

National Education Conference – May 20 – 25, 2008

It's not too early to start planning for the 2008 National Educational Conference! Mark your calendar for May 20 – 25, 2008. Join us at the Hilton Riverside in fabulous New Orleans! As additional details for the Conference are confirmed over the coming months, information will be posted on the [NAPMW website](#) and shared with members through the *Headquarters Heads Up*.

Other Events

Remember to check the calendar on the NAPMW website regularly for dates and details on other events and activities across the country. From the homepage of www.napmw.org, click on the word **Calendar** to view the entire calendar of events.

Did you ever want to be an AUTHOR?

Did you ever want your own BY-LINE?

Here's your chance!



Notes and Deeds, the national publication of NAPMW is accepting articles for publication in the December issue. The next deadline is **November 1**.

Regularly featured columns include "Women at Work" with information about the advancement of women in the workforce and "Neighborhood Watch" that highlights the activities and accomplishments of NAPMW's Region and Local Associations.

Submit your articles to Syrisse Parker,

Notes and Deeds Committee Member,

at syrisses@yahoo.com.

P.S. If you are not ready yet, the next deadline is March 1 for the April 2008 publication. Start writing!

LEGISLATIVE BULLETIN ALERT

House Passes FHA Reform Legislation

The U.S. House of Representatives passed H.R. 1852, the Expanding American Homeownership Act of 2007 by a vote of 348-72. The measure was originally introduced by Representative Maxine Waters (D-CA), Chairwoman of the Subcommittee on Housing and Community Opportunity, and Barney Frank (D-MA), Chairman of the Financial Services Committee. NAMB applauds passage of H.R. 1852 and will continue our efforts to get similar legislation passed in the U.S. Senate. H.R. 1852 would allow mortgage brokers to post a surety bond instead of meeting the audit requirements. This approach would ensure the FHA program is protected and addresses the cost concerns for many brokers.

H.R. 1852 would also increase the FHA loan limits to better accommodate those borrowers living in high-cost areas of the country. FHA Reform now moves to the U.S. Senate, and if passed the reconciled bill will go to the President for signature.

To view the full House Financial Services Committee press release,
http://www.house.gov/apps/list/press/financialsvcs_dem/press0918072.shtml

FHA will help delinquent subprime borrowers refinance

The Bush administration today rolled out a plan officials said was geared at helping up to 700,000 homeowners avoid foreclosure in the next two years, but which is not intended as a bailout of mortgage lenders who are facing mounting losses on bad loans.

The plan gives the Federal Housing Administration the authority to insure loans for delinquent borrowers facing foreclosure. Administration officials said the new "FHASecure" program will allow FHA to guarantee an additional 60,000 refinance loans a year. Because borrowers pay premiums on FHA mortgage insurance, the program is expected to pay for itself and can be implemented immediately as an administrative action.

A plan to introduce risk-based pricing in January is also expected to allow FHA to help an additional 20,000 troubled borrowers refinance into conventional loans. All told, HUD expects to boost FHA-backed refinancing to 240,000 in the current fiscal year, compared with a projected 160,000 under previous existing programs.

The FHASecure program will be geared toward borrowers who have become delinquent on their adjustable-rate mortgages because of interest-rate resets. It will be available only to those who meet FHA's underwriting guidelines, which currently includes a requirement that borrowers have at least a 3 percent equity stake in their homes. The program will insure loans only for borrowers who had a good payment history for six months prior to the interest-rate reset that caused their delinquency.

Borrowers seeking to refinance under FHASecure must obtain a new appraisal and be able to demonstrate they can repay the loan. But there is no minimum FICO score, and outstanding late payments can be refinanced into the new loan as long as the 3 percent equity requirement is maintained.

The plan rolled out by the Bush administration also calls for the Treasury and Housing and Urban Development departments to identify borrowers who are in danger of defaulting, and work with private lenders and mortgage repurchasers Fannie Mae and Freddie Mac to provide new loans that could help them keep their homes.

"The government has got a role to play -- but it is limited," Bush said at a White House press conference. "A federal bailout of lenders would only encourage a recurrence of the problem. It's not the government's job to bail out speculators, or those who made the decision to buy a home they knew they could never afford. Yet there are many American homeowners who could get through this difficult time with a little flexibility from their lenders, or a little help from their government. So I strongly urge lenders to work with homeowners to adjust their mortgages."

Bush also asked Congress to change a provision of the tax code that can penalize borrowers who are able to negotiate forgiveness of part of their mortgage debt. The Internal Revenue Service currently considers cancelled mortgage debt as taxable income, which can complicate the process of working out loan modifications or holding a short sale in exchange for forgiveness of debt.

Bush also called on Congress to pass an FHA modernization bill that would allow the administration to expand risk-based pricing, reduce down-payment requirements on loans it guarantees, and raise loan limits in high-cost states like California and New York from \$363,000 to \$417,000.



Ivonne Dominguez
Ivonne@intersearchassociates.com

Very Important... Guideline Changes Effective Immediately

- **All borrowers must have one blue eye and one brown eye to qualify.**
- **LTV > 65% SIVA requires minimum credit score of 849.**
- **For all LTV > 65%, 360 months of payment reserves now required.**
- **Borrower's must have no previous bankruptcies in their family history going back three generations.**
- **A minimum of 25 years self-employment history now required for all NIV Programs (at same location)**
- **Minimum credit score for Sub prime Loans raised to 720.**
- **All non-arm's length transaction borrowers (mortgage, real estate professionals, family members) will be required to provide full-documentation, subject to criminal background checks, wire tapping, strip-searches, and a minimum of 12 hours of interrogation by the Department of Homeland Security.**
- **Please note that these changes will go into effect within the next five minutes. So please lock you existing loans immediately. All existing loans in your pipeline must fund by noon tomorrow.**

A quick membership note...

A 10% discount is available to companies who have five or more employees who are Bronze, Silver, or Gold members. However, it is a rebated discount that is sent to the corporation annually. All members pay the full membership fee at the time of their membership and at the end of the program year we run the calculations to find those companies who are eligible for the rebate and then send the total rebate for those memberships to the corporate office. If the company is small and all the employees are from the same office it is clear that we send the rebate there. In cases where the company is larger in scope and the members are all across the US then we send the rebate to the corporate office.

To: Clients and Friends
From: David F. Dulock
Subject: Mortgage Broker/Loan Officer- Proposed Revised Rules

In order to implement the recent legislative changes to the Mortgage Broker License Act (Chapter 156, Finance Code, herein the "Act") made by House Bills 2783 and 1716 (*see our Legislative Update dated August 6, 2007*), the Finance Commission of Texas ("Finance Commission") published for comment in the August 31, 2007 issue of the *Texas Register* (Vol. 32, No. 35) proposed amendments to the mortgage broker rules in 7 TAC §§80.1 – 80.7 (Licensing), §§80.12 - 80.14 (Administration and Records), §§80.20 and 80.21 (Inspections and Investigations), and §80.23 (Annual Reports).

The following summary of the proposed amendments is taken from the Finance Commission's preamble to the proposed amendments published in the above issue of the *Texas Register*:

§80.1. Scope.

House Bill 2783 amended §156.204(b) of the Act, requiring a business entity to be licensed in order to act as a mortgage broker. Prior to the enactment of HB 2783, only individuals could be licensed as mortgage brokers. As used in the Code Construction Act (Chapter 311, Government Code), the term "person" expressly includes business entities as well as natural persons. For this reason, the proposed amendments to §80.1 substitute the term "person" for the term "individual" in several provisions. The use of the term "individual" is retained or added in those places where the provision is intended to apply only to a natural person. HB 2783 and HB 1716 amended the exemption language in §156.202 of the Act, which exempts certain persons from the Act. The proposed amendments to §80.1(6) reflect these changes to the exemption language in §156.202. HB 1716 creates a new exemption for individuals who are exclusive agents of registered financial services companies. The proposed amendments to §80.1(6) incorporate this new exemption in proposed §80.1(6)(A)(vi). Prior to the enactment of HB 2783, persons who financed property which they own and sell were exempt from the Act. Under §156.202 of the Act, as amended by HB 2783, this exemption will now apply only to owners who make no more than five such loans in any 12-month period. The proposed amendments to §80.1(6) incorporate this revised exemption in proposed §80.1(6)(B)(ii).

This Memorandum is provided for the general information of the clients and friends of our firm only and is not intended as specific legal advice. You should not place reliance on this general information alone but should consult legal counsel regarding the application of the material discussed in this Memorandum to your specific case or circumstances.

To find out more visit
<http://sml.state.tx.us>



WELCOME TO OUR NEW MEMBERS

Vicki Cheairs – Everbank – referred by Gracie Bustos-Cantu
Bianca Gracia – Houston Associates – referred by Scott Hilton
Sally Seraj – Brown, Fowler & Alsup – referred by Richard Alvarado
Frank Toro – AAA Mortgage Specialist – referred by Richard Alvarado
Steve Lubojacky – Colonial Residential – referred by Richard Alvarado
Maria Alvarado – AAA Mortgage Specialist – referred by Richard Alvarado

THANK YOU FOR RENEWING

Aaron Hansz
Sara LeBlanc
Shana Thiem - Everbank
Kittie Gugenheim – MGIC
Ann Oliphant – 1st Continental
Nadine Cius – Mortgage Icons
Gracie Bustos-Cantu- Everbank
Sheryl Gayle – Secure Mortgage
Deany Meinke – Mortgages Direct
Candy Andrews – AIG United Guaranty

Selina Ponniah – 1st Citi Wide Financial
Lois Shanks – Southern American Title
Peggy Michel – Black, Mann, & Graham
Monica Pastrana – National City Mortgage
Claudia Spofford – Coldwell Banker Realtors
Demetria Walker – Door Keepers Mortgage
Anna Babineaux – Texas Supreme Mortgage
Kathryn Hardeman–First Capstone Mortgage
Scott Hilton, CMI–Texas Real Estate Academy
Syrisse Parker-Rowe, GML, CMI

Karat Klub Status-Richard Alvarado

***Let's make Houston the number 1 association in the Central Region.
 Bring a guest to our next meeting so they can see what all the
 excitement is about becoming a part of NAPMW Houston.***

Don't forget to update the National Website if your contact information has changed and also send me notice so that I can update your information on our database.

Email me at Richard@Richardnalvarado.com

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BRUBAKER AND ASSOCIATES
real estate appraisers and consultants

Just a reminder to some of our members that your membership has or is about to expire. You can renew it today online at www.napmw.org This is the National website and while you are renewing make sure that your information is current on your member profile so you will receive the news from our National Headquarters.

Note from the editor...

What do you want to see in this newsletter? Market trends? New selling ideas? New Products? New Laws coming into effect? A great drink recipe?

It is the goal of the 2007 Board to make this newsletter GREAT and also for it to be a tool for you. I would love to hear from you on different ideas of what you wish to see, even if it is a one time thing or an ongoing article or subject of interest.

Please email your thoughts to me at aaronhansz@yahoo.com and as always have a great day!

Are you a designated mortgage professional? If not, WHY?

As competition increases, customers will demand knowledgeable and well-versed individuals to access and serve their needs. If you do not understand the mortgage industry, federal regulations, and all facets of the loan cycle, you may be left behind. As customers themselves become more educated about the mortgage process, shouldn't you?

The Institute of Mortgage Lending offers three designations...

- **Graduate of Mortgage Lending (GML)**

Experience Level: 1 or more years in the mortgage industry

Prerequisites: None

Participation Requirement: Correspondence or Online

Written Exam: Yes

Oral Exam: No

Continuing Education: Yes



- **Master of Mortgage Lending (MML)**

Experience Level: 1 or more years in the mortgage industry

Prerequisites: Graduate of Mortgage Lending

Participation Requirement: Correspondence

Written Exam: Yes

Oral Exam: No

Continuing Education: Yes



- **Certified Mortgage Instructor (CMI)**

Experience Level: 3 years professional experience in the mortgage industry

Prerequisites: Instructor Development Workshop

Participation Requirement: Workshop Participation

Written Exam: No

Oral Exam: No

Continuing Education: Yes



The Institute of Mortgage Lending offers individual GML/MML/CMI course registrations, as well as a corporate licensing program that provides corporations with the opportunity to participate in the GML/MML/CMI designation programs for their company employees. To register contact the NAPMW Offices at (800) 827-3034 or write to the Association at - info@napmw.org or cindy@napmw.org.



*Your Success Begins With Your
Participation In NAPMW!*

EVENTS 2007-2008



- | | |
|--------------------|--|
| October 9 | Multi-Cultural Selling – Dr. Oscar Gonzales |
| November 13 | <i>Secondary Marketing*</i> <small>let us know if this interests you...</small> |
| December | Christmas Party |
| January 8 | <i>One Page Business Plan*</i> <small>let us know if this interests you...</small> |
| February 12 | Bottle Auction and Wine Tasting |
| March 11 | <i>Houston Zoo Social</i> and Election |

For more information contact:

Syrisse Parker Rowe syrisses@yahoo.com www.napmwhouston.org

Are you looking for industry professionals?

Mortgageboard.com is a job board partner for the National Association of Professional Mortgage Women. Mortgageboard.com offers hiring solutions to the association members as well as discounts of up to 20% off selected packages* to all members who find the Job Board through the association.

More than a generic Job Board, Mortgageboard.com is a Niche Career Center giving you access to the internet's largest resume pool of mortgage professionals. By posting your positions and searching resumes online, you will increase your exposure to these industry jobseekers at a fraction of traditional recruiting and online costs.

To get more information about posting positions on the site and having access to the resume database of local and national jobseekers call (877) 846-5478 Toll Free or go to www.mortgageboard.com.

HELP WANTED FOR NAPMW-HOUSTON

MEMBERSHIP:

Want to help in growing our organization? Contact Richard to help with the Membership Committee!

Richard Alvarado
713-254-1530 Cell
richard@Richardnalvarado.com

SERVICES AND RESOURCES:

Like throwing parties? No one likes to throw a party as much as Mark does so give him a call today and join the fun!

Mark Bunting
713-392-1026 cell
mbunting@amtrust.com

NEWSLETTER:

Have a topic to add to the Newsletter, need to advertise to over 2,000 LO's, brokers, and other members of NAPMW, or want to have a subject further explored? Call Aaron!

Aaron T. Hansz
832-439-3280
aaronhansz@yahoo.com

EDUCATION CORNER

If you would like to be a sponsor for one of our upcoming Education classes, or would like to help educate our Members, contact Beth Imperatore.

Beth Imperatore
281-535-2300 Work
beth@mortgages-first.com

FALL in LOVE with NAPMW!



*I came for the Education... I stayed for the friends...
What I received... an Enhanced Mortgage Career!*

EDUCATION

FREE Educational Training on Topics such as:

SML Compliance
Mortgage Lending Laws
Credit Scoring
Processing Guidelines
FHA / VA
Identity Theft
Underwriting Panels

and more!

Our accredited education events are usually every other month and are FREE to NAPMW Houston Members.

Get the schedule:
www.NAPMWHouston.org

Look for information about our future events and meetings at our website:
www.NAPMWHouston.org

MEMBERSHIP INCLUDES:

Incredible Networking Events
Increasing Leads
Notes and Deeds (4 printed issues)
Individual Insurance Coverage
Discounts at NAPMW Events
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Online Membership Listing
Access to Members-Only Content on NAPMW Website!

DISCOUNTS INCLUDE:

GML and MMLS Credentials
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Subscription to Origination News
DHL Airborne Express Shipping
Broadwing Long Distance Communication Services

For information about joining NAPMW Houston, please contact Richard Alvarado at 713-254-1530 cell.