



IMBA Legislative Successes

A critical part of membership in IMBA surrounds the legislative activities of the organization and its success in working effectively with the State legislature and government to ensure lenders' ability to conduct business with minimal government intrusion. Member dues and PAC support provide the resources for this and is greatly appreciated!

Recent historical successes IMBA has had in supporting residential mortgage lending include:

2010

Maintenance of Foreclosure Property – This legislation was introduced and would have required that lenders be responsible for the maintenance of properties in foreclosure.

IMBA successfully got legislators to drop this requirement in return for giving local governmental units the right to schedule a sheriff's sale if a lender has not asked for a sale within 180 days after entry of judgment!

Empowerments of Not-for Profits to Pursue Negligence Claims – This legislation would have given not-for-profit community associations the right to pursue nuisance claims against lenders for vacant and abandoned homes.

IMBA successfully lobbied to have this legislation defeated!

Mechanics Liens – Legislation was introduced that would have given all mechanics liens priority over mortgages.

IMBA successfully lobbied against this legislation and it was not enacted!

Inclusion of PMI Companies in Foreclosure Conferences – Legislation was introduced that would have mandated PMI companies attend foreclosure conferences.

IMBA successfully lobbied against this legislation!

2009

Foreclosure Mediation – This legislation would have required mortgage lenders/servicers to have both pre-suit and post-suit mediation, required lenders to present a workout proposal to the borrower and provide an explanation to the court if any proposal was not acceptable to the borrower. Additionally, it would have required that a lender representative, with authority to bind the lender, be physically present at all borrower meetings, and provide the borrower a complete payment history.

IMBA successfully worked with legislators in drafting an effective, workable mediation process!

Notice of Securitization – As introduced, this legislation would have required a fee of \$250/loan for securitization which could not be passed on to the borrower and would have severely inhibited the production of saleable loans in Indiana.

IMBA successfully lobbied to have this legislation defeated!

Delay of Closing – Legislation was introduced that would have given a borrower the right to delay a closing without any impact on loan terms, including expired rate locks.

IMBA successfully lobbied to have this legislation defeated!

Suitability/Duty of Inquiry and Extending Redemption Period – Both of these subjects were introduced with requirements that were onerous to mortgage lenders/servicers in today's environment.

IMBA successfully lobbied to have these removed from final legislation!

SAFE Legislation – The legislature failed to enact the federally required mortgage originator licensing, commonly known as SAFE legislation, before the regular legislative session adjourned April 29th. The failure to enact legislation would have required the takeover of mortgage originator licensing in Indiana by HUD.

IMBA successfully lobbied the special legislative session to enact legislation as part of the budget, giving the Department of Financial Institutions authority to issue mortgage originator licensing regulations which hopefully will prevent a HUD takeover of state mortgage originator licensing!

2008

Suitability - As proposed, this legislation would have required that residential mortgage loans in Indiana would have to pass a 'suitability' test, even if approved by the lender utilizing industry-accepted underwriting software or manual underwriting, prior to closing! The legislation did not define suitable, so what was not suitable would have been subject to a case-by-case determination. If the approved loan did not pass the 'suitability' test, the borrower would have a claim against the lender. This would have made Indiana mortgage loans very undesirable in the secondary market and put lenders in the eternal position of being second guessed by borrowers.

IMBA successfully lobbied to have this stricken from the final legislation!

Licensing – When greater mortgage broker licensing requirements and new mortgage lender licensing requirements became a virtual certainty, IMBA worked carefully with the Indiana Secretary of State's office and the Department of Financial Institutions to assure that the mortgage broker and the mortgage lender licensing requirements were compatible. This resulted in obtaining an exemption from the broker license for a licensed mortgage lender.

Without this exemption, multiple licenses would have been required!

Legislative efforts have been at an all-time high in recent years as a result of the increased public focus on mortgage lending. However, IMBA's involvement in the Indiana General Assembly is nothing new. The Association has been the industry's voice for decades (including leading the charge to exclude mortgage loans from usury caps over 25 years ago!) and the above is just a small sample.

Finally, without the support of our members in these efforts, including expert input and testimony, dues, and PAC contributions, these activities would not have taken place, and the environment in which you operate your business would be vastly different today!