

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES  
OFFICE OF CONSUMER FINANCE**

**Mortgage Industry Advisory Board**

**BOARD MEETING MINUTES**

**March 4, 2020**

Present: Donald Calcaterra Jr.  
Daniel Grzywacz  
Teri Heindrichs  
Allison Johnston  
Michelle Kirsten – Excused  
Timothy Kleyla – Via telephone  
Audrey Acquisti

DIFS Staff: Alex Dornberg  
Brenda Gardner  
Marissa Hendee  
Michelle Tullar  
Mark Weigold  
Jim Westrin

**Meeting rescheduled from February 12, 2020 due to Lansing office steam/heating issue**

**Call to order at 8:44 am**

- Motion to approve 11/13/19 minutes; motion passed

**Board Introduction**

- Board welcomed Jim Westrin, who joined DIFS as the new Director for the Office of Consumer Finance in December of 2019. Jim thanked the board and provided a brief overview of his past regulatory experience. The Board congratulated Mark Weigold on his promotion as the Assistant Director and thanked him for his continued dedication to the Board.
- Board member terms and expirations discussion
  - Two vacant seats on the Board will need to be filled due to Don Calcaterra Jr terming out in May and the resignation of Michelle Kirsten.
  - Teri Heindrichs and Tim Kleyla terms are due to expire in May, both have asked for reappointment.

**DIFS**

- Current licensee population/statistics/application turn-around times
  - MLO Licensees
    - February 2020: Total 11,953 – 11,619 approved, 334 approved-inactive

- February 2019: Total 10,924 – 10,372 approved, 551 approved-inactive, 1 approved-surrendered
- Applications currently pending: 284 (176 TAO)
- Approvals to date 2020: 611 (258 TAO)
- MLO Temporary Authority to Operate (TAO) population of 258 for Michigan was more than anticipated; the application turn-around time was quicker than expected. DIFS has not issued a TAO denial to date.
- First Mortgage Licensees and Registrants
  - February 2020: Total 844 – 616 licensees, 228 registrants
  - February 2019: Total 755 – 534 licensees, 221 registrants
  - Applications currently pending: 24 (21 licensees/3 registrants)
- Secondary Mortgage Licensees and Registrants
  - February 2020: Total 283 – 2 licensees, 281 registrants
  - February 2019: Total 257 – 1 licensee, 256 registrants
  - Applications currently pending: 9 (0 licensee/9 registrants)
- CFS Licensees
  - February 2020: 5
  - February 2019: 6
  - Applications currently pending: 0
- New Applications Volume
  - MLOs
    - 2020 year-to-date: 895
    - 2019 total: 3,856
  - First Mortgage Licensees and Registrants
    - 2020 year-to-date: 20
    - 2019 total: 205
  - Secondary Mortgage Licensees and Registrants
    - 2020 year-to-date: 9
    - 2019 total: 53
  - CFS
    - 2020 year-to-date: 0
    - 2019 total: 0
- Federally Registered MLOs for Michigan
  - 12/31/20: 13,481
  - 12/31/19: 13,400
- Renewals Issued/Received/Processed as of 2/10/20
  - MLOs
    - Issued: 13,288
    - Received and processed: 11,092
    - Percentage renewed: 83%
    - Number on hold: 206
  - First Mortgage Licensees and Registrants
    - Issued to date: 859

- Received and processed: 808
- Percentage renewed: 94%
- Number on hold: 2
- Secondary Mortgage Licensees and Registrants
  - Issued to date: 290
  - Received and processed: 278
  - Percentage renewed: 96%
  - Number on hold: 0
- CFS (Class 1 and II)
  - Issued to date: 6
  - Received and processed: 5
  - Percentage renewed: 83%
  - Number on hold: 0

### **Licensing/Compliance/Examination/Enforcement Discussion**

- Mortgage Examination and Investigation Section (MEIS) Statistics
  - Examinations
    - As of February 2020: 35
    - As of February 2019: 15
    - 2019 year-end: 188
    - 2018 year-end: 129
  - Investigations
    - As of February 2020: 34
    - As of February 2019: 15
    - 2019 year-end: 43
    - 2018 year-end: 67
  - Visitations for new licensees
    - As of February 2020: 25
    - As of February 2019: 24
    - 2019 year-end: 136
    - 2018 year-end: 104
- New Company Visitations
  - The purpose of the visitation is for the learning and education of newly formed companies. Examiners share information regarding the exam process, discuss record keeping of both hard and electronic files, and stress the importance of downloading loan records from third party vendor and investor sites as soon as a loan is closed. Third party vendors and investor sites will not send loan documents automatically. DIFS goal is to teach companies what their responsibilities are to help them avoid expensive mistakes.
- Current Issues
  - Mortgage Broker Application Increase
    - Industry is experiencing an explosion of refinance applications due to low interest rates; the trend is expected to continue until the refinancing market stabilizes.

- Companies are hiring loan officers to help with the increased workload, most are requiring licensure to cover regulation requirements.
- DIFS is seeing a high volume of MLOs requesting Michigan based mortgage broker licensure – likely due to many loan officers wanting to open their own shop.
- New MLO Licensee Questions
  - DIFS requests that all new MLO licensee inquires and phone calls be submitted in writing. The questions are used to develop FAQs.
  - New licensees receive an informational letter that includes links to DIFS and NMLS' websites.
- Examination/Audit Discussion
  - Industry suggested DIFS develop a step by step flow chart to help companies gather the required examination documents in a timely, efficient, and less stressful manner.
  - DIFS will explore putting together a user specific information packet for licensee examinations.
  - Egress is used to upload and share required examination documents. DIFS requests feedback from licensees regarding difficulties experienced using the Egress platform as it is new for both examiners and licensees.
  - DIFS began sending post-examination surveys in December of 2019. The survey is confidential. Responses to the ten questions will help to develop examination processes and improvements.
- Examination Findings/Discussion
  - Staff has seen an uptick of Team Names being used on documents which fail to reference the licensee.
  - Third party processing companies which have not obtained an exempt company registration in NMLS are utilizing licensed mortgage loan originators to process loans.
  - Third party processing companies which have an exempt registration are failing to hire licensed mortgage loan originators to process loans.
  - MLOs are refunding money to clients after the loan is closed.
  - Unlicensed Junior loan originators working for licensed MLOs, processing entire loans.
  - Fraud
    - DIFS – first registrants reporting uptick of income fraud
    - Industry – bank statements, occupancy, and purchasing of online college degrees to obtain a loan
  - IT security to be incorporated in DIFS examination process to measure safety and soundness.

### **Industry Updates and Agenda Items**

- TAO/NMLS Annual Conference and Training, February 18-21, San Francisco, CA

- TAO enhancement allows companies to choose if they want to use TAO or not resulting in an MLO application to be submitted as a regular application
- Investors are pushing back by not purchasing loans completed by TAOs and question whether to pay them
- NMLS will red flag applicants that repeatedly applies for and is denied TAO
- NMLS is working on TAO glitches as needed
- TAO's must meet all of DIFS licensing qualifications
- General discussion held regarding VA Jumbo Loans
- General discussion held regarding FNMA Tax Calculation's restrictiveness
- QM Patch Discussion
  - Set to expire January 2021
  - Director Kraninger's testimony regarding CFPB's intentions to use APOR rather than DTI
  - Possible elimination of 43% DTI requirement
  - Non-traditional employment documentation challenges
  - Possible amendment of Appendix Q
- FHFA Discussion
  - Proposal to increase new worth standards
  - Hiring of a financial advisor to raise capital and develop a Conservator exit plan
  - GSE LIBOR Transition
- MBA Advocacy Update
  - Submitted proposed uniform language for consumer protection laws regarding the federal Gramm-Leach-Bliley Act.
  - Requested for Declaratory Ruling from FCC that would clarify the definition of automatic telephone dialing system (ATDS) under the Telephone Consumer Protection Act (TCPA).

#### **Next Meetings**

- May 13, 2020: 8:30 am in Lansing
- August 19, 2020: 8:30 am in Lansing
- November \_\_\_\_\_, 2020: 8:30 am in Lansing

**Meeting adjourned at 10:30 am**

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Teri Heindrichs, MIAB Secretary

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Michelle Tullar, DIFS Recording Secretary

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES OFFICE  
OF CONSUMER FINANCE**

**Mortgage Industry Advisory Board**

**BOARD MEETING MINUTES**

**May 13, 2020**

Present: Donald Calcaterra Jr.  
Daniel Grzywacz  
Teri Heindrichs  
Allison Johnston  
Timothy Kleyla  
Audrey Acquisti  
DIFS Staff: Alex Dornberg  
Brenda Gardner  
Marissa Hendee  
Brienne Kemm  
Michelle Tullar  
Mark Weigold  
Jim Westrin

**Meeting conducted via Microsoft Teams due to COVID-19**

**Call to order at 8:31 am**

- Motion to approve 3/4/20 minutes; motion passed

**Board Introduction**

- Board welcomed Brienne Kemm, MEIS Regional Examination Supervisor

**DIFS**

- Current licensee population/statistics/application turn-around times
  - MLO Licensees
    - May 2020: Total 13,128 – 12,418 approved, 710 approved-inactive
    - May 2019: Total 11,736 – 10,652 approved, 1,084 approved-inactive
    - Applications currently pending: 320 (171 TAO)
  - First Mortgage Licensees and Registrants
    - May 2020: Total 881 – 651 licensees, 230 registrants
    - May 2019: Total 790 – 564 licensees, 226 registrants
    - Applications currently pending: 23 (18 licensees/5 registrants)
  - Secondary Mortgage Licensees and Registrants
    - May 2020: Total 295 – 2 licensees, 293 registrants
    - May 2019: Total 266– 1 licensee, 265 registrants
    - Applications currently pending: 2 (0 licensee/2 registrants)
  - CFS Licensees
    - May 2020: 4

- May 2019: 6
- Applications currently pending: 0
- New Applications Volume
  - MLOs
    - 2020 year-to-date: 1,871
    - 2019 total: 3,856
  - First Mortgage Licensees and Registrants
    - 2020 year-to-date: 61
    - 2019 total: 205
  - Secondary Mortgage Licensees and Registrants
    - 2020 year-to-date: 17
    - 2019 total: 53
  - CFS
    - 2020 year-to-date: 0
    - 2019 total: 0
- Federally Registered MLOs for Michigan
  - 3/31/20: 13,248
  - 3/31/19: 13,228

### **Licensing/Compliance/Examination/Enforcement Discussion**

- Mortgage Examination and Investigation Section (MEIS) Statistics
  - Examinations
    - 53 examinations submitted to office (up 8 from last month)
  - Investigations
    - 20 investigations submitted to office (up 11 from last month)
  - Visitations for new licensees
    - 46 visitations submitted to office (up 10 from last month)
- Examinations and Investigations
  - Exams continue to be off-site through June due to Covid-19
  - Examinations scheduled through Q3 have been moved to Q4; DIFS is working with licensees to reschedule examinations, per licensee requests
  - Examinations are required by statute; investigations are the result of a complaint that has been received by DIFS
  - Examiners are seeing an increase in servicing examinations, likely due to mandatory examination rotation
- Requests from March 4<sup>th</sup> meeting
  - Egress Handout
    - DIFS is in the process of putting together an Egress handout with screenshots regarding how to sign in and view Egress; June 1<sup>st</sup> draft completion goal, once approved by Board it will be sent with the new licensee letter.
  - Examination Process Flowchart
    - A flowchart of the examination process is being created

### Industry Updates: Covid-19

- Executive Order No. 2020-4 Stay-at-Home Order Discussion Held
- DIFS Covid-19 Pandemic Response
  - Covid-19 FAQs have been added to DIFS website
  - Covid-19 informational email blasts are sent to licensees and registrants
  - MCR due date moved from May 14 to June 15
- Unemployment
  - Unemployment rate at 14.7% (more than 20 million jobs)
  - Many companies are moving people around to keep them employed
- Investor Overlays
  - Investors are concerned with the DTI and the shrinking credit box
  - Investors are servicing more loans to manage risks
  - Investors are not purchasing cash out loans due to home value uncertainties
- Forbearance
  - Most borrowers who applied for forbearance are staying current with their monthly mortgage payments
  - Many borrowers did not understand that approved forbearance requests may result in the inability to get a loan or to refinance for 12 months because it will affect the borrowers credit report
  - Warehouse lines are asking lenders to report how many borrowers requested forbearance enabling them to develop a risk perspective
- Stress on Industry
  - GSE financial requirement changes
    - Higher net worth requirement
    - Limiting how many loans can be sold to GSEs
    - GSEs requiring greater liquidity
  - Several lenders reported they have no place to send their loans due to financial requirements
  - Remote notary to close loans is not accepted by some lenders and is causing a delay in closing
  - E-closings are seeing a push back by title companies
  - Some lenders rose interest rates to 5% in effort to control refinance volume
  - Projected income of self-employed buyers is being cut by 25% by some lenders
- Appraisal with Exterior-only Inspection
  - Lender Letter 2020-04, issued by Fannie Mae, announcing temporary flexibilities to its appraisal requirements
  - Temporary Guidance due to Covid-19
  - Allows exterior appraisals verses interior appraisals
  - Appraisal waivers went up 20%
  - Helpful to consumers for ease of refinancing and cost
- Cash out



- Smaller cash out box
- Investors are not purchasing conventional cash out loans because they fear being stuck with the loan

### **Board Composition**

- Don Calcaterra, who termed out, was thanked for his hard work, time, and information that he brought to the MIAB. Don thanked the Board for the earnest effort to work together.
- Board Vacancies
  - DIFS extended the nomination and application submission deadline to May 1 and is in the process of vetting the positions.
  - MMLA nominations were received for Section 33.2(1) position
  - Tim Kleyla and Teri Hendricks will be reappointed; they will receive a reappointment letter from Director Fox

### **Next Meetings**

- August 19, 2020: 8:30 am in Lansing
- November \_\_\_\_\_, 2020: 8:30 am in Lansing
- February \_\_\_\_\_, 2021 8:30 am in Lansing

### **Meeting adjourned at 9:45 am**

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Teri Heindricks, MIAB Secretary

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Michelle Tullar, DIFS Recording Secretary

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES  
OFFICE OF CONSUMER FINANCE**

**Mortgage Industry Advisory Board**

**BOARD MEETING MINUTES**

**September 16, 2020**

Present: Audrey Acquisti  
Daniel Grzywacz  
Teri Heindrichs  
Allison Johnston  
Timothy Kleyla  
DIFS Staff: Alex Dornberg  
Brenda Gardner  
Marissa Hendee  
Brienne Kemm  
Michelle Tullar  
Mark Weigold  
Jim Westrin

**Meeting conducted via Microsoft Teams due to COVID-19**

**Call to order at 8:33 am**

- Motion to approve 5/13/20 minutes; motion passed

**DIFS**

- Current licensee population/statistics/application turn-around times
  - MLO Licensees
    - August 2020: Total 14,780 – 13,557 approved, 1,223 approved-inactive
    - August 2019: Total 12,391 – 10,889 approved, 1,502 approved-inactive
    - Applications currently pending: 375
  - First Mortgage Licensees and Registrants
    - August 2020: Total 920 – 686 licensees, 234 registrants
    - August 2019: Total 816 – 590 licensees, 226 registrants
    - Applications currently pending: 32 (29 licensees/3 registrants)
  - Secondary Mortgage Licensees and Registrants
    - August 2020: Total 298 – 2 licensees, 296 registrants
    - August 2019: Total 281 – 2 licensees, 279 registrants
    - Applications currently pending: 2 (0 licensee/5 registrants)
  - CFS Licensees
    - August 2020: 4
    - August 2019: 6

- Applications currently pending: 0
- New Applications Volume
  - MLOs
    - 2020 year-to-date: 3,882
    - 2019 total: 3,856
  - First Mortgage Licensees and Registrants
    - 2020 year-to-date: 143
    - 2019 total: 205
  - Secondary Mortgage Licensees and Registrants
    - 2020 year-to-date: 30
    - 2019 total: 53
  - CFS
    - 2020 year-to-date: 1
    - 2019 total: 0
- Federally Registered MLOs for Michigan
  - 6/30/20: 13,221
  - 6/30/19: 13,261
- MLO/Renewal/Application Discussion
  - Broker-only application uptick continues
  - To-date MLO application volume is just under 500 per month, resulting in a 69% increase from last year
  - Companies continue to hire licensed MLOs; Industry anticipates low interest rates until end of 2021
  - Industry pleased with speed of MLO application approval process
  - Dedicated staff will process renewals remotely due to Covid-19

### **Licensing/Compliance/Examination/Enforcement Discussion**

- Mortgage Examination and Investigation Section (MEIS) Statistics
  - Examinations through August
    - 2020 – 110 examinations submitted to the office
    - 2019 – 121 examinations submitted to the office
  - Investigations through August
    - 2020 – 28 investigations submitted to office
    - 2019 – 38 investigations submitted to office
  - Visitations for new licensees
    - 2020 – 108 visitations submitted to office
    - 2021 – 85 visitations submitted to office
- Examinations and Investigations
  - No Activity exams – attestation required and reviewing required reporting documents such as financial statements and call reports; taking less time because of reduced scope
  - NMLS, SES Audit System: DIFS is evaluating the State Examination System

- Egress Discussion
  - MEIS created a Guest User Walk-Through PowerPoint guide to help guest users navigate through Egress
    - Copies of the guide were emailed to Board Members
    - Guide is shared with companies scheduled for an examination/investigation
  - Examiners use of Egress has been helpful during Covid-19
- Examinations and investigations have declined; visitations have increased
- Updated Covid-19 press release was issued
  - DIFS will send updated FAQs to licensees
  - Michigan COVID-19 Addendum added to OMQ
- Licensees and Registrants
  - Should always have access to their records from third party vendors
  - Should download their records from third party vendors because they are responsible to maintain their records for state regulatory examination purposes
- FHFA Discussions
  - Adverse Marketing Fee (0.5%) delayed to December 1, 2020
  - Extension of GSE's ability to purchase loans in forbearance
- FHA Discussions
  - Request submitted to FHA to change their current student loan dept underwriting policy to ensure qualified borrowers have access to loans
  - QC requirements for Covid-19 Forbearance relaxed by FHA
- Renewal Season
  - Requests for renewal through NMLS must be complete before December 31
  - Requests for renewal after December 31 are subject to a late penalty of \$25 per day up to a maximum of \$1,000.
  - MLOs must complete 8 hours of continuing education prior to requesting renewal through NMLS
  - MLOs must mail an original, signed, perpetual bond to DIFS
  - Surety companies send DIFS cancellation notices for company and individual bonds that are unpaid

### **Board Composition**

- Election of Officers held. Elected officers are as followed: Allison Johnston, Chairperson; Audrey Acquisti, Vice-Chairperson; Teri Hendricks, Secretary
- Board Vacancies: DIFS is in the process of reviewing candidates for the two board vacancies

### **Next Meetings**

- November 18, 2020: 8:30 am via MS Teams
- February \_\_\_\_\_, 2021 8:30 am

**Meeting adjourned at 8:40 am**

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Teri Heindricks, MIAB Secretary

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Michelle Tullar, DIFS Recording Secretary

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES  
OFFICE OF CONSUMER FINANCE**

**Mortgage Industry Advisory Board**

**BOARD MEETING MINUTES**

**November 19, 2020**

Present: Audrey Acquisti  
Daniel Grzywacz  
Teri Heindrichs  
Allison Johnston  
Timothy Kleyla  
Phil Mastin  
Dr. Phares Noel

DIFS Staff: Alex Dornberg  
Brenda Gardner  
Marissa Hendee  
Michelle Tullar  
Jim Westrin  
Brienne Kemm - Excused  
Mark Weigold -Excused

Guests: Renee Campbell  
Laura Hall  
Melanie Near  
Kimberly Weber  
Jeff Weisserman  
Angela Zarka  
Tabitha Zimny

**Meeting conducted via Microsoft Teams due to COVID-19**

**Call to order at 8:31 am**

- Motion to approve 9/16/20 minutes; motion passed

**Welcome and Introductions**

- Board welcomed two new board members
  - Dr. Phares Noel, President, Diversified Engineering Concepts, LLC
  - Phil Mastin, AVP, Director of Regulatory Affairs, United Shore Financial Services

**Licensing**

- Current licensee population/statistics/application turn-around times
  - MLO Licensees
    - November 2020: Total 16,056 – 14,567 approved, 1,489 approved-inactive

- November 2019: Total 13,144 – 11,403 approved, 1,741 approved-inactive
- Applications currently pending: 625
- First Mortgage Licensees and Registrants
  - November 2020: Total 946 – 708 licensees, 238 registrants
  - November 2019: Total 845 – 616 licensees, 229 registrants
  - Applications currently pending: 44 (35 licensees/9 registrants)
- Secondary Mortgage Licensees and Registrants
  - November 2020: Total 302 – 2 licensees, 300 registrants
  - November 2019: Total 286 – 2 licensees, 284 registrants
  - Applications currently pending: 8 (1 licensee/7 registrants)
- CFS Licensees
  - November 2020: 4
  - November 2019: 6
  - Applications currently pending: 0
- New Applications Volume
  - MLOs
    - 2020 year-to-date: 5,629
    - 2019 total: 3,856
  - First Mortgage Licensees and Registrants
    - 2020 year-to-date: 186
    - 2019 total: 205
  - Secondary Mortgage Licensees and Registrants
    - 2020 year-to-date: 37
    - 2019 total: 53
  - CFS
    - 2020 year-to-date: 0
    - 2019 total: 0
- Renewal Update
  - MLOs
    - Issued: 15,998
    - Received: 9,141
    - Processed: 7,505
    - On-hold: 74
  - First Mortgage Licensees and Registrants
    - Issued: 953
    - Received: 464
    - Processed: 447
    - On-hold: 16
  - Secondary Mortgage Licensees and Registrants
    - Issued: 303
    - Received: 190
    - Processed: 188
    - On-hold: 2

- CFS
  - Issued: 4
  - Received: 3
  - Processed: 2
  - On-hold: 1
- Renewal Discussion
  - A record number of new MLO applications (716) were received in October. Since mid-2020, new applications are averaging nearly 100% more per month than this time last year.
  - Reminder notices will be sent to all licensees/registrants within the next week and a final reminder notice mid-December; continuing education should be completed as early as possible.
  - Temporary Authority to Operate (TAO) – approximately 75% of MLO applications received qualify for TAO
  - OCF will send renewal reminders via email. Industry requested tougher reminders be sent. Brenda will draft a reminder and send to Audrey.
  - Correction: MLOs must mail perpetual bond to DIFS only if they do not already have one on file

### **Compliance/Examination/Enforcement Discussion**

- Mortgage Examination and Investigation Section (MEIS) Statistics
  - Examinations through October
    - 2020 – 146 examinations submitted to the office
    - 2019 – 157 examinations submitted to the office
  - Investigations through October
    - 2020 – 37 investigations submitted to office
    - 2019 – 41 investigations submitted to office
  - Visitations for new licensees through October
    - 2020 – 132 visitations submitted to office
    - 2019 – 116 visitations submitted to office
- Examinations and Investigations
  - Examiners continue to work off-site due to Covid-19
  - Examinations and investigations are down this year compared to last year partly due to the promotion of an examiner to a supervisor and the increase in visitations.
  - DIFS works with companies to reschedule. Difficult to reschedule given MEIS schedules examinations approximately six months in advance.
  - MEIS team submitted 19 examinations and 3 investigations from end of October and so far thru November. Numbers will be updated with month end report preparation for November.
  - Post Examination Survey: MEIS has not received a good response to the survey. The link to survey is currently in the cover letter and post exam letter. In effort to receive survey responses, a new approach will be to send a separate email with the link directly to the survey in the email.
  - Issues and Trends



- Continue to see issues with LO Compensation. Specifically, Broker's circumventing 1026.36(d) of Reg Z by providing credits without documentation of unforeseen circumstance. DIFS has reserved enforcement cases for Licensee's which act negligently and are intentionally trying to circumvent the regulation.
- Numerous investigations have revealed unlicensed servicer activity.
- Egress discussion: Board reported that industry is adapting to and becoming comfortable with Egress; smaller shops may still be getting used to technology. The ability for companies to track uploaded documents is helpful.
- Mortgage Call Report (No Activity Examination)
  - If information is reported accurately in the Mortgage Call Report and there has been no activity in past three years, DIFS will conduct a limited scope examination.
- Guest Speaker, Jeff Weisserman, provided an update on Foreclosures and Forbearances due to Covid-19
  - Agency Moratorium and CARES Act applies to federally backed loans; both expire on 12/31/20 but are expected to continue until health crisis ceases
  - Under the CARES Act, a 180-day forbearance can be requested, an additional 180 days can be requested
  - Most private investors offered forbearance plans
  - 77-80% of those who requested forbearance continue to be current on their mortgage
  - Foreclosure sales were suspended in March. Vacant and secured foreclosures resumed in the summer until the Pause to Save Lives Order was issued by the Michigan Department of Health and Human Services
  - Loss Mitigation
    - Lenders worked hard to help borrowers get needed relief
    - Borrowers in forbearance must communicate with their lender to make a plan before it expires
  - Issues for future
    - Moratorium wave is expected to continue. Extensions come 14 days before existing ones
    - Backlog of non Covid-19 related foreclosures
    - Impact on housing market when foreclosures hit the market and issuing of staged releases
    - HEROS Act discussion: if passed would provide an automatic 60-day forbearance to anyone who became 60 days delinquent between March 13, 2020 and the enactment date. It would provide two additional extensions: 120 days and another 180 days with maximum of 360 days, plus an additional 6-month moratorium on foreclosures.
- Guest Speaker Tabitha Zimny provided updates on the following:
  - Poverty exemption uniform application
  - Land bank construction loans
  - Land contract regulations

- Workforce housing
- Financial literacy
- Possible changes under president-elect Biden Administration
  - Potential new first-time homebuyer refundable, advanceable tax credit of \$15,000
  - Strengthen and expand the Community Reinvestment Act to ensure that our nation's bank and non-bank financial services institutions are serving all communities
  - DACA Dreamers Loan Program
  - Focus on access to credit
  - Future on FNMA/FHLMC
  - Fair lending
  - Access to credit
- Industry discussion
  - AUS loan approval irregularities
  - Increase of buyer appraisal waivers
  - Loans not going through
  - Self-employed borrowers' loans rejected due to decline in income
  - Loan officer challenges
    - Busy due to low interest rates
    - Prediction that 2021 will slow down but remain busy
    - Covid-19 related issues
    - Uniform Residential Loan Application: New nine-page form 1003 coming out in March
    - Forbearance
    - Less credit availability
  - Audrey shared that she emailed Mark and Brenda the following: "I just wanted to drop a quick note regarding annual renewals. We started working on company and MLO renewals as soon as the renewal window opened on 11/1. We have already requested renewals in 47 state jurisdictions. Of those 47 states, Michigan is the only state that I have received notice that the renewals have been approved. Please congratulate your team on behalf of XXXXX and our industry!! Great job!!!"
  - Exploring First and Second Mortgage Combination: combining the two statutes would provide a reduction of regulatory burden (one license and one statute)

#### **Next Meetings**

- February 10, 2021 8:30 am via MS Teams
- May \_\_\_\_\_, 2021 at 8:30 am (location TBD)

**Meeting adjourned at 10:40 am**

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Teri Heindricks, MIAB Secretary

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Michelle Tullar, DIFS Recording Secretary