

Mortgage Banking Update

PATTON BOGGS LLP | September 14, 2009

Powered by Patton Boggs' Mortgage Banking Team

IN THIS ISSUE:

Golden State Prepares to Take SAFE Act Plunge

Did You Know?

Get Your Business on the Road to 'Capital Thinking'

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GOLDEN STATE PREPARES TO TAKE SAFE ACT PLUNGE

The California Senate Bill 36 passed both houses of the California legislature in early September and the bill has been enrolled for Governor Arnold Schwarzenegger's signature. It is expected that Governor Schwarzenegger will sign the bill shortly and, upon doing so, Senate Bill 36 will immediately go into effect. With the passage of the bill, California is one of the last two states during 2009 to adopt legislation implementing the SAFE Act, leaving Minnesota as the only state left to pass the SAFE Act legislation.

Once signed by Governor Schwarzenegger, the bill will have an immediate impact upon California residential mortgage loan originators working for licensed residential mortgage lenders and servicers, finance lenders and brokers and real estate brokers. Similar to other state SAFE Act-related legislation, individuals conducting business as residential mortgage loan originators will be required to complete 20 hours of approved prelicensure education and will be required to pass an examination regarding federal and state laws pertaining to mortgage origination matters. Individuals also will be required to submit to certain background check-related procedures, including providing fingerprint cards and authorizations for third parties to obtain credit reports for review by regulatory agencies. As with similar SAFE Act-related legislation, residential mortgage loan originators under all three California licenses will be required to include their Unique NMLS Identifier on all advertising-related documentation, including Web sites and business cards.

Although Senate Bill 36 will take immediate effect once signed by Governor Schwarzenegger, individuals acting as residential mortgage loan originators who work for licensed finance lenders and brokers and licensed residential mortgage lenders and servicers will not be required to be individually licensed until July 1, 2010. Individuals operating under the California real estate law will not be required to obtain an approval as a residential mortgage loan originator until December 1, 2010. Only those individuals who intend to act as a residential mortgage loan originator under the California real estate law will be required to obtain an approval as a residential mortgage loan originator (i.e., individuals that will exclusively conduct business as a real estate agent will not be required to obtain an approval as a residential mortgage loan originator under the California real estate law).

DID YOU KNOW?

Until recently, many entities conducting Missouri mortgage business relied upon exemptions that allowed them to conduct such business without obtaining a mortgage license. Many of those exemptions, such as those for entities approved by the Federal Housing Administration, were repealed when Missouri passed its SAFE Act legislation, meaning that many previously exempt entities now must obtain a residential mortgage loan broker license. An in-state office is a prerequisite for applying for and obtaining that license approval. However, the Missouri Division of Finance, which regulates residential mortgage loan brokers, is not requiring entities that only service residential mortgage loans to maintain an office within Missouri. Entities conducting other types of licensable business will be required to establish an in-state office in order to be eligible for the license.

LOOKING AHEAD:

ALLRegs Webinar

September 21

Topic: MDIA – Steps to Implementing New Requirements

Time: 2:00 – 3:30 p.m. EST

Patton Boggs participant:
Richard Andreano

Five Star Default Servicing Conference and Expo

Dallas - September 22

Panel: Commercial Servicing Issues

Time: 4:00 – 5:00 p.m. CST

Patton Boggs participant:
Patrick McManemin

West Legalworks Webinar

***25% discount code:**

0909LW25

September 29

Topic: New TILA Rules

Time: 12:00 – 1:00 p.m. EST

Patton Boggs participants:
Richard Andreano, John Socknat, Michael Waldron

Association of Corporate Counsel Webinar

September 30

Topic: Washington Update

Time: 12:00 – 1:00 p.m.

Patton Boggs participants:

Richard Andreano, Micah Green, Carol Van Cleaf

ALI-ABA Seminar

September 30

Seminar: Addressing Fraud in an Ever Changing

Mortgage Banking Landscape: A Practical Guide to Navigating the Issues

Time: 12:30 – 1:30 p.m. EST

Patton Boggs participant:
Michael Waldron

GET YOUR BUSINESS ON THE ROAD TO ‘CAPITAL THINKING’

Our award-winning, custom-published magazine, *Capital Thinking*, was launched in 2006 and has been highly-read by the firm’s attorneys, staff, recruiters and – most importantly – clients and prospects. The magazine has helped Patton Boggs spread the word about its breadth of practice by showcasing the firm’s depth of expertise in a variety of ways, including interviews with business leaders, attorney-written articles and regular Q&A interviews with CEOs that are shaping today’s business landscape. By presenting reader-driven, need-to-know material in a controlled format, *Capital Thinking* magazine provides the firm with an avenue to drive business development, foster client relations and improve communications among attorneys, practice groups and clients.

Shortly after its launch, *Capital Thinking* magazine won the Custom Publishing Council’s (CPC) Silver Pearl Award for “Editorial: Best New Magazine.” The magazine was also awarded a Silver Pearl Award in 2007 for “Best Distribution Strategy” in 2007. That same year, *Capital Thinking* magazine received a Burton Award from the Burton Foundation and the Association of Legal Administrators in the category of “Best Law Firm Publication.” And in 2008, the magazine was awarded Gold in “Design: Best Special Issue” and “Editorial: Best Feature Article/Package (less than 250,000); and a Bronze for “Design: Best Use of Illustration (Less than 50,000).”

To read up on the latest issue online or to receive the free biannual magazine, visit www.capitalthinkingmagazine.com.

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