

SAVE THE DATE!

53rd Annual MBAC Convention
September 4-6, 2008

Hilton Head Marriott Beach and Golf Resort



Pull out the Red, White and Blue and join us as we celebrate our work, our land of opportunity, our many freedoms and our future in this wonderful industry.

MBA Chairman Kieran P. Quinn, CMB, will be among the dynamic speakers.

Officers and Directors will be installed at the annual awards banquet, where our own heroes of the year will be announced and recognized.

President's Message



James J. Wood, CMB, AMP

Throughout my life I have assumed many things as "given".

As a child I assumed that the food on my table, the heat in my home, and the clothes in my closet were a "given". I've chalked that up to youthful ignorance.

As a teenager I assumed the cars in the driveway, the gas in the cars, and the money for gas was a "given". I've written that off to the self-centered teenage years we've all experienced.

As a Marine for 18 years, I assumed it was a "given" that the world loved the United States because we are a good people steeped in a history of freedom and justice for all. Beirut, 1983, and several hundred dead fellow Marines later, that misguided belief was shattered by the image of rows and rows of flag draped coffins. I've learned to live with this as politics at its worst.

As a new college graduate with parchment in hand I assumed it was a "given" that I had a ticket for the fast track and the corner office. I've long since accepted that there is no substitute for experience.

As an experienced mortgage banker and U.S. citizen born long after the Great Depression, I considered it a "given" that our financial system and markets were on a bedrock foundation. Recently I've witnessed some of the pillars of our banking and financial markets brought to their collective knees. I've learned that the definition of risk is much broader and deeper than I ever thought possible.

What I've come to understand over time is that there are few, if any, "givens" in our lives either personal or professional. And every day I try to remind myself of the hazards of making assumptions. It seems as though every time I assume a "given" I am hit squarely between the eyes with the unbridled reality that I'm simply wrong.

As our economy struggles to regain health and our industry continues to face challenges I've committed to focus on those things that I can control. I can focus my business on becoming more efficient and cost effective. I can bring an excitement and a positive outlook that is contagious, to work every day. And I can support my industry with my time and effort.

I'll leave the assumptions about any "givens" to others.

Battle Only Half Won



by Philip R. Mahoney, MAC-PAC Chair

Spring is here, which marks the end of the college basketball season, the start of baseball season (Go Red Sox!) and cheers are heard around the Amen Corner for the participants in the Masters. It's also the halfway point for the MAC-PAC campaign for dollars and we are barely halfway to our goal at this time.

The question I keep asking myself is whether each individual understands the vital importance of stepping up NOW?! Or will complacency carry the day, we won't meet our goal, and there will be heck to pay? Well I, along with the rest of the MBAC Board, am confident you and your fellow members will step forward to help us meet the challenge!

If you doubt the urgency, let me give you a Letterman-type Top 10 list of the reasons you need to support MAC/PAC:

10. Because it is one of the few times North Carolina and South Carolina are on the same page (UNC vs USC).
9. Being a "Big Shot" for only \$300, will get you a big fat kiss or hug from me. (Or, if you prefer, I will refrain from kissing or hugging you.)
8. You do not want Rhonda Marcum on your case! (And neither do I.)
7. You will not hear any more about giving to MAC-PAC-- until next year!
6. We (the mortgage industry) need to get off the front page. Oh, do I long for the days of Monica Lewinsky!
5. For whatever reason, our lobbyists in North and South Carolina want to be able to pay their bills.
4. I would like to be able to make a loan without adding 100 pages of more disclosures!
3. I like my career and want to continue helping families own homes.
2. I have bills to pay.

And the # 1 reason to support MAC-PAC is: I only just learned how to spell mortgage and I am too old to learn to spell Sanitation Worker (is that the correct spelling?)

The Bottom Line

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Membership Challenge



By *Glen E. Cowart*
Membership Committee Chair

Are we having fun yet? I doubt many of us have ever seen so many changes in such a short period of time. An industry veteran much more articulate than I said recently that 2008 has been and will continue to be, a year of “evolutionary change”. Our industry must react and adjust to this fast changing environment.

In one way you could say we are evolving into a much simpler and less complex industry. We find ourselves with fewer loan products to offer, fewer lenders to compete with, a shift back to 40 percent or more of our business going FHA/VA and suddenly living in a full-doc\alt-doc world.

In another way, however, we are heading into significantly more complicated times in terms of licensing, appraiser independence, and consumer disclosure. In addition to our own state legislators looking to complicate our lives, are proposed changes from the Federal Reserve, HUD, and Congress, to contend with. Our MBAC Mission to provide Education, Legislative Representation, Communication, and Promote the Highest level of Ethical Standards has never been more important.

- **Education:** Our recent Single Family Conference provided insight on everything from North Carolina Housing Finance Agency and South Carolina State Housing Authority training, evaluating self-employed borrowers, time management, pending legislation in both states and successful communication skills.
- **Legislative Representation:** Our North and South Carolina legislative committee members and lobbyists are busier than ever making sure our industry has a voice in proposed legislation.
- **Communication:** There is more change going on in our industry than ever before. Keeping our membership aware and up to date is critical.
- **Promoting the Highest Level of Ethical Standards:** Too many of the proposed rules and regulations are geared toward managing the “bad apples” in the industry. It has become more important than ever to separate ourselves from those who have created the problems and tarnished our image.

What do we need from you? Your “Circle of Influence”. There is strength in numbers. Your employees, colleagues and vendors all have a stake in the health of our industry in the Carolinas. Your ability to influence those individuals and make them aware of the value of membership in MBAC is invaluable. Please take a few minutes and reach out to two or three industry colleagues. Simply ask whether they would consider joining us, then let someone on the Membership Committee know how to contact them. We'll take it from there.

Greensboro Association Reorganized

The Greensboro Mortgage Bankers Association has been reorganized into the Piedmont Mortgage Lenders Association. Eighty participants from companies in Burlington, High Point, Winston-Salem and Greensboro, packed the inaugural meeting March 12, at Starmount Forest Country Club. Mark Pearce, North Carolina Deputy Commissioner of Banks, discussed foreclosures and high cost loans.

Future meetings will be held at 11:30 am on the second Wednesday of each month. Officers were nominated at the April 9 meeting and will be installed in June, when dues will be collected.

Michael Boyd, SunTrust Mortgage, has been elected President. Other officers include Steve Powell, First Citizens, Vice-President; Gayle Todd, CTX Mortgage, Secretary; Danny McCoy, First Horizon Home Loans, Treasurer.

The officers are already hard at work establishing committees on Community Service, Membership, Education and other interests of the membership.

“Our direction is to meet the need for community involvement by a group of mortgage lending professionals,” says Boyd. “We've embraced an attitude of inclusive membership and we're encouraging mortgage bankers, lenders, brokers and all associates and affiliates to become part of this new and exciting group of mortgage professionals.”

Tee Up!

The Winston-Salem Mortgage Lenders Association's annual golf tournament benefits MBAC's scholarship programs

May 21, 2008 - Tanglewood Golf Course

Hope to see you there!

For more information:

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kspong@bbandt.com

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Welcome New Members

The following members have been approved since the last issue of *The Bottom Line*.

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Charlie Kelley
Prommis Solutions

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Trasi King
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Connie Hawkins
Schmidt Mortgage Corporation

Ed Brown
Cunningham & Company

Buddy Ratchford
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Suzanne Howard
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Vickie Wilkinson
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Candy Nicodin
The Bank of South Carolina

Vickie Wilkinson
Wells Fargo Home Mortgage

2008 Calendar of Events

May

13 **VA Loan Origination Training**
Holiday Inn at I-95
Fayetteville, NC

15 **VA Loan Origination Training**
Hilton Garden Inn
Charleston, SC

July

9 **MBAC Quarterly Board Meeting**
(includes Directors, Committee Chairs, and
Local Association Presidents)
Countrywide Training Room - SouthPark Branch
Charlotte, NC

September

4-6 **53rd Annual MBAC Convention**
Marriott Beach & Golf Resort
Hilton Head Island, SC

6 **MBAC Quarterly Board Meeting**
(includes incoming and outgoing Directors,
Committee Chairs, and Local Association Presidents)
Annual Convention

October

19-22 **95th Annual MBA Convention**
San Francisco, CA

December

3 **MBAC Quarterly Board Meeting**
(includes Directors, Committee Chairs, and
Local Association Presidents)
Location TBA
Charlotte, NC

Additional educational seminars will be added throughout the year. For information, contact MBAC (704) 552-2860 or view the calendar on www.mbac.org.

South Carolina Legislative Update



by Samuel C. Waters, Esq. and Blaire C. Lowery

In talks with the SC Dept. of Consumer Affairs and Agency Administrator, Brandolyn Thomas Pinkston, over the past year, the SC Legislative Committee has given input on a new mortgage lending bill backed by the SC Dept. of Consumer Affairs. Talks have involved all stakeholders who would have an interest, and discussions have been brisk and pointed. This bill is on the fast track pending the resolution of some definitions.

The SC Legislative Committee has also participated in the preparation of a bill concerning real estate appraisers. The thrust of

this bill is twofold - to preserve the independent judgment of appraisers in the valuation of properties and to put in place procedures to ensure that appraisers are paid for the work they perform. This bill is still in the beginning stages, and may not be considered by the legislature this session.

Most recently, the committee has received a new bill regarding private mortgage insurance. The proposed bill requires private mortgage insurance to terminate immediately following the date the borrower has repaid 80 percent of the current value of the property securing the loan. This bill has not been sent to a committee, but its sponsors indicated a strong interest in advocating the passage of this bill.

South Carolina Presidents' Council Report



by Edward J. Brown, SC Presidents' Council Director

This first quarter of this year in South Carolina has been very active for all the local associations. The President's Council meeting at the Single-Family Educational Conference in Myrtle Beach, was very well attended by representatives from all the associations in both states. It was hosted by Lisa Dahlgren, Chair of the Public Relations Committee, who does an outstanding job facilitating communications between the local associations and the MBAC. Lisa reiterated at the President's Council meeting that without the input and participation of the local associations, MBAC would not have the proper direction for the future that is necessary to meet the expectations of the membership.

This year the local association presidents submitted numerous suggestions that would add value for the associations, which Lisa and her committee will take to the Executive Board for consideration. The meeting produced more ideas than ever before, and the benefit of having the presidents attending the quarterly Board meetings was never more evident.

Lenders in Florence, SC are discussing forming a local association and those in Greenville, are talking about resurrecting one. Debi Kelly and Suzanne Wessel are leading the Greenville effort. Ken Cox is spearheading plans in Florence. We look forward to welcoming these two new associations very soon.

The MLA of Greater Charleston held its annual scholarship luncheon on April 15th to announce its 2008 Wilma Adams Scholarship recipients. The guest speaker was Dr. Frank Hefner, Chairman of Economics and Finance Department at the College of Charleston.

MBAC President-elect Phil Mahoney was the guest speaker at the monthly meeting for the MLA of Greater Hilton Head where he spoke about the importance of our annual MAC-PAC campaign. There are a number of pending bills in South Carolina and our new lobbyists with Moore & Van Allen, have been busy representing the industry's interests in Columbia. Sharon Wilkinson of Moore & Van Allen gave an excellent presentation at the Single-Family Conference and has been invaluable to Sam Waters, Chairman of the South Carolina Legislative Committee. MAC-PAC donations are important every year, but critically so this year.



Snapshots from the Single-Family Lenders Education Conference

North Carolina Legislative Update



by Hank Cunningham, CMB, Chairman, North Carolina Legislative Committee

In 2008, the General Assembly of North Carolina is scheduled for a short session. As a result, the legislature will not be in session until May and should adjourn in July. As you are all aware, the 2007 Legislative Session was extremely busy in North Carolina with significant bills passed and signed into law by the Governor. While I would like to think that the upcoming 2008 Legislative Session will be quiet, I am not optimistic. Below I have summarized subjects that could take the form of legislation in 2008:

House Foreclosure Study Committee: A study committee established by the House is currently reviewing foreclosures in our state. While our foreclosure numbers are better than most in the country, they are certainly rising. Foreclosure starts are up 10% in 2007 and the North Carolina Commissioner of Banks predicts another 10%-20% increase in 2008. Although subprime loans accounted for less than 20% of the total originations in the state from 2005-2007, they account for 54% of North Carolina foreclosures. The Study Commission is evaluating methods to increase communication between servicers and borrowers to avoid foreclosure. According to the Commissioner of Banks, servicers have indicated that 60%-70% of the time, they are able to avoid foreclosure once meaningful communication has been established with borrowers. I would expect to see a legislative proposal as a result of this study commission.

Registration of Servicers: I would also expect to see a legislative proposal that would require the registration of servicers in North Carolina. As has been true for past licensing or registration proposals, I would also expect to see that banks, credit unions, thrifts, nonprofits and state or federal agencies would be exempt.

Rules or Legislation Regarding Education & Net Worth: The Office of the Commissioner of Banks had proposed new rules at the end of last year that would have established net worth requirements for mortgage brokers of \$25,000 and would have increase the initial course for licensing loan officers from 8 hours to 24 hours. Due to technicalities, these rules were withdrawn; however, I would expect to see the rules either reintroduced in rulemaking or take the form of legislation.

Fees for Licensing and Examination: We have had preliminary conversation with the Commissioner of Banks about the deficit that exists between the costs of examination and licensing and the fees that are collected through licensing companies and individual loan officers. The Commissioner desires to work with the mortgage industry to determine how best to increase revenue which could take the form of examination cost or increased licensing fees.

Should you have questions or input on these or other issues, please don't hesitate to contact me. We will provide updates on proposed legislation as the 2008 session opens.

North Carolina Presidents' Council Report



by Bryan Parker, NC Presidents' Council Director

There are always one or two people in the office known as the problem finders. Then there are the ones who always have the idea. The others are either surveyors (let's watch and see what happens) or they're action people. I know that our MBAC members are action people or you wouldn't be here with us. After all, you do it every day in your professional and personal lives. Folks, it is Time to Act.

It's been more than several weeks since our meeting at the Single-Family conference in Myrtle Beach. We heard many ideas and suggestions on how MBAC, the Board and members, can improve

MBAC and support our commitment to strong growth. I felt this from many of you at the conference and brought home a sense of urgency. We followed up by email with a summary, some ideas and asked for suggestions for ways MBAC can work with you and make everything move forward.

Where are you? After all the great ideas and brainstorming that began in Myrtle Beach, only one member has responded with thoughts and ideas.

Where are you? Local Presidents, we need feedback. Ask your association members, be frank with them. Call us or email us. Call Ed Brown, Rhonda Marcum or Jim Wood. There was so much put on the table at our meetings in March. Are we just going to leave it there?

MBAC Selects Moore & Van Allen as South Carolina Lobbyist

At its December 2007 quarterly meeting, the MBAC Board unanimously selected Moore & Van Allen as its new South Carolina lobbyist, replacing Lloyd Hendricks who resigned last October. The Board received the recommendation from its search committee, composed of Sam Waters, Chair of the South Carolina Legislative Committee, Ed Brown, Legislative Committee member and Rhonda Marcum, MBAC Executive Director. The search committee had narrowed the list of over 300 lobbyists to three highly qualified candidates before recommending Moore & Van Allen.



Wilkinson

Legislative Committee has actively participated in crafting the language of a bill regulating mortgage lenders which was introduced in December 2007, and is currently considering a bill affecting treatment of appraisers. The committee anticipates much greater visibility in 2008 than ever before.



Smith

Rob Smith and Sharon Wilkinson will lead the Moore & Van Allen team in achieving two primary goals: greater participation in the crafting of legislation affecting mortgage banking, and increasing the recognition of the MBAC as a valuable resource for the members of the legislature. Already, the South Carolina

Serving on the South Carolina Legislative Committee with Chairman Waters and Brown are Buddy Ratchford, Connie Hawkins, Ken Cox, Mark Hawkinson, Michael Boozer, Suzanne Howard, Travis Minter, Brooks Styles, Reggie Corley, Leb I. Dixon, CMB, and Pete Korn.

Get Back to Basics...

...because equity matters.

In today's market, the mortgage industry is getting back to basics. The fact is, high-LTV loans statistically represent a greater likelihood of default. And everyone benefits when borrowers have some equity in their homes. Look to PMI for the products and tools that can help you write more loans for qualified borrowers.

Regardless of the challenges facing the industry, PMI continues to support your ability to facilitate sustainable homeownership. For more information on how we can help you achieve your goals, please visit www.pmi-us.com.



Have You Heard?

Franklin American Mortgage recently announced that **Ronald W. Giberson** has joined the company as Sales Manager. Giberson is Chair of MBAC's GSE/FHA/VA committee.



Reid

Wachovia Mortgage announced that **Bill Reid** has joined the company as an Account Executive for South Carolina. Reid is former Chair of the MBAC Wholesale/Broker committee.

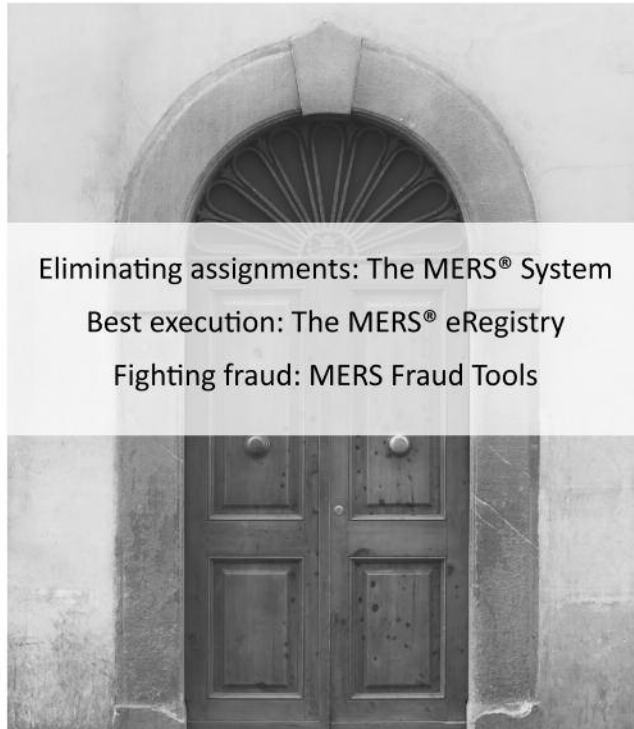
The Next Generation

Phillip Cox of Grandbridge Real Estate Capital, LLC, Greenville, SC, and his wife, Laura, recently welcomed a daughter, Katy Ellen Cox, on March 18.

Kenneth Bernardo, Bank of America, Charlotte and wife Tracey, welcomed a second daughter, Clara Jane Bernardo, April 20.

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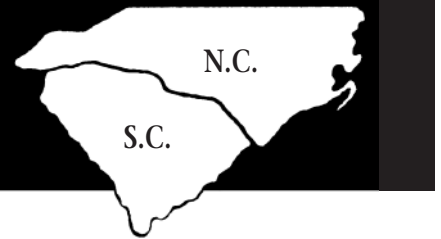
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Carolinas' Corner



Mortgage Bankers Association of Fayetteville

The MBA of Fayetteville recently elected new officers. They include (left to right) Debbie Godwin, Secretary; Melody Spaulding, President; Janiece Brewer, Vice President.



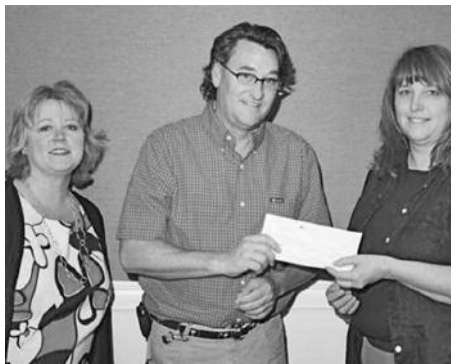
Mortgage Lenders Association of Greater Charleston

The Association sponsored a Continuing Education session, Mastering 1031 Tax Deferred Exchanges, presented by Janice T. Houff, Sr. Vice President/Regional Manager First American Exchange Company, on February 22, at the Hilton Garden Inn.



The Wilma Adams Scholarships were presented at a luncheon on April 15. The speaker for the meeting was Dr. Frank Hefner, Chairman of Economics and Finance Dept., at the College of Charleston. Scholarship recipients, shown here, with David Heilman, are Jennifer Nguyen, Eleanor Harrell and Garrett Abel.

Joanie Paulling (left), and Darlene Shackelford (far right) presented Steve Herman of Rebuilding Together, a check for \$1,469 as part of the association's community service efforts. The funds were raised at a silent auction at the annual Christmas party.



Mortgage Lenders Association of Greater Hilton Head Island



Speakers and guests at the Association's February meeting: Larry Florea, Speaker Chairman, Velinda Fisher, Realtor of the Year, Jean Beck, new Executive Director of the HHI Association of Realtors, Rich Tiffany, President of HHI Mortgage Lender's Association, Eva Franklin, US Department of Agriculture and Rural Development.

MBAC President-elect Phil Mahoney spoke about MAC-PAC on March 19th.



At its January meeting the Association distributed \$10,000 raised at its annual charity golf tournament in October, to 16 charitable organizations. This year's golf tournament is tentatively scheduled for September 29th at Moss Creek Country Club.

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Mortgage Bankers Association of the Carolinas

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