

the B O T T O M live

MORTGAGE BANKERS
ASSOCIATION OF THE CAROLINAS, INC.

Volume XXX, No. 2

MAY, 2009

MBAC PREMIER 'A RED CARPET AFFAIR'



- [SAVE THE DATE - DETAILS COMING TO YOUR EMAIL SOON](#)

President's Message



Philip R. Mahoney

"Has that allowed me to find assistance when I was between a rock and a hard place... You bet it has!"

"A New Direction"

"I am heartened by the gifted and committed members"

As we start the process of nominating new officers and directors for the MBAC for 2009 and 2010, I am heartened by the number of gifted and committed members we have to choose from. We are very fortunate that many of you understand the value you will obtain from this organization is a direct result of the effort and time you put back into the MBAC.

However, with that said, I believe you/we have a challenge before us. That is to continue to get new blood involved in MBAC. There are so many gifted mortgage bankers and affiliates who have so much to offer to the organization but choose to be on the sidelines. We need their involvement and participation so we all will reap the benefit of their experience. I know first hand that it has been beneficial for me and my company to be involved in legislative committee meetings and know first hand what the thought process is all about.

I also know first hand that being involved with FHA/VA and attending the Single-Family Educational Conference has allowed me to obtain assistance when I was between a rock and a hard place on a loan... You bet it has!

So let me congratulate the new nominees for the officers and directors for MBAC and once again say "You are lucky!!" Because of the time and effort you put into our organization, you will be rewarded with more contacts, knowledge and the confidence of a well rounded mortgage banker.

I also would like to issue a challenge to you on the sidelines...get up and get in the game...you will love it!!!!

The Bottom Line

Official Publication of The Mortgage Bankers Association of the Carolinas, Inc.

PO Box 2588, Mount Pleasant, SC 29465
 (704) 557-0204 FAX (704) 625-7195
 E-mail address: rbm@mbac.org
 Web Site: <http://www.mbac.org>

Philip R. Mahoney, President
 Rhonda B. Marcum, Executive Director

Nominating Committee Report

The MBAC Nominating Committee has recommended the following slate of officers and directors for 2009-2010. The names will be presented for consideration at the MBAC Convention in August.

- President: **Officers**
 Glen E. Cowart
 To Be Announced
 Charlotte, NC
- President-Elect: Lisa T. Dahlgren
 Wells Fargo Home Mortgage
 Charlotte, NC
- Vice President: Kenneth R. Cox
 First Reliance Bank
 Lexington, SC
- Secretary-Treasurer: Tommy Saunders
 Wells Fargo Home Mortgage
 Charlotte, NC
- Immediate Past President: Philip R. Mahoney
 American Security Mortgage
 Charlotte, NC

Directors

- | | | |
|---|-----------|---|
| North Carolina | 2007-2010 | South Carolina |
| Jeni M. Long Cunningham & Co. Charlotte, NC | | Travis A. Minter Crescent Mortgage Group Myrtle Beach, SC |
| | 2008-2011 | |
| Rick G. Washburn Shelby Savings Bank Shelby, NC | | Eugene H. Gaulin BB&T Greenville, SC |
| | 2009-2012 | |
| Terry L Davis RBC Bank Asheville, NC | | Candice L. Nicodin The Bank of SC Charleston, SC |

Associate Directors

- | | | |
|--|-----------|---|
| | 2008-2011 | |
| Sharon Drewyor NC Housing Finance Raleigh, NC | | Robert D. Melton United Guaranty Charlotte, NC |
| | 2009-2012 | |
| Gena Baxley PMI Mortgage Insurance Charlotte, NC | | Laura Evatt Mortgage Guaranty Insurance Corp. Columbia, SC |

Presidents' Council Directors

- | | | |
|--|-----------|---|
| | 2008-2011 | |
| D. Bryan Parker Wells Fargo Home Mortgage Durham, NC | | Edward J. Brown Coastal Mortgage Svcs. Hilton Head Island, SC |

KITTLE AMONG SPEAKERS AT MBAC 54TH ANNUAL CONVENTION



**David G. Kittle, CMB, MBA
Chairman and Executive
Vice President of Vision
Mortgage Capital, LLC, a divi-
sion of American Home Bank
located in Pennsylvania.**

**Kittle is past president of the Louisville and Kentucky
Mortgage Bankers Associations. He is past
Chairman of MBA's Political Action Committee,
MORPAC; former Vice Chairman of MBA's Residen-
tial Board of Governors; and has served on MBA's
Board of Directors since 2004.**

He received his CMB designation in 2004.

To learn more about earning a
CMB designation, (Certified Mort-
gage Banker) Contact the MBAC
office at (704) 557-0204 or (843)
303-5705 or email :
rbm@mbac.org.

**MBAC
54TH ANNUAL
CONVENTION
DATES
ARE
AUGUST 22-24, 2009
PLAN TO BE THERE! !**

 **Reliable
Partner**

**Today.
Tomorrow.
Together.™**

You can rely on Freddie Mac for certainty and consistency.
We're committed to working with you to ensure borrower
success throughout the mortgage lifecycle. It's what you
expect in a reliable partner.



FreddieMac.com



Freddie Mac is proud to play a leading role in the Making Home Affordable Program.



2009 MAC-PAC CHALLENGE

“WHY MAC-PAC?”

by *Glen E. Cowart, MAC-PAC Chair*

Our industry is undergoing a historic period of turmoil and change. The pressure on our regulatory agencies and legislators to “fix” the problem and “fix” the blame is tremendous. This creates a need for advocacy and representation that is probably more important than ever.

As an industry, as companies, as individuals we are dependent on a thriving mortgage banking industry.

We all need the advocacy our Legislative Committees and Lobbyists provide to tell “our story” (Not necessarily the same story seen in the news). Our committee members and our lobbyists let the Regulators and Legislators know:

- We are Professional
- We are Honest
- We are Ethical
- We are Well Trained
- Our past and continued success is based on doing what is “Right” for the customer, the referral source, the company and the industry

We also, more importantly, need advocates who have the time and the knowledge to:

- Help legislators and regulators understand our industry
- Help them understand the impact of unintended consequences of legislation (Appraisal Independence; High Cost Loan ; and excessive ‘Licensing’ types of legislation)
- Help legislators and regulators understand that “Mortgage Fraud Liability” is not as simple as those outside the industry would like to make it appear

Our Legislative Committees and Lobbyists are very busy this year making sure your story, your interest and our industry are being represented. Our political action advocacy is the only mortgage specific advocacy we have in the Carolinas, and we need to support it. You need to support it. If you have already made your “fair share” contribution - Thank You - if not - take a minute and make your contribution now.

Mortgage Bankers Association of the Carolinas Political Action Committee (MAC-PAC)

I wish to join with other lenders and support MBAC’s Legislative Committees through a voluntary contribution to MAC-PAC.

2009 MAC-PAC Contribution Level: ___ \$25 ___ \$50 ___ \$100 ___ \$250 (Chairman’s Club) ___ \$300 (Big Shot) ___ Other \$ ___

Contribution: ___ Check ___ Cash ___ Credit Card Please charge to my: ___ Visa ___ MasterCard ___ AmEx Card Verification # _____

___ Single Payment ___ Payments of \$ _____ per month Credit Card # _____ Exp. Date: ___/___

For Payment Plan - Minimum payment - \$50, charged to your credit card each month. Must be paid in full by 10/1/09.

Signature: _____

Date: _____

The following information is required.

Your Name _____

Company _____

Home Address _____ City _____ State _____

ZIP _____

Work Phone # _____

E-mail _____

Local Mortgage Lenders Association: _____

Mail this form to: MBAC MAC-PAC MBAC MAC-PAC PO Box 29045, Greensboro, NC 27429; FAX (336)272-3862 Telephone (336) 272-3061 ext 164
Attn: Rhonda Bailey E-mail: rhondab@cunninghammortgage.com www.mbac.org

MAC PAC Contributions go to New Address

Changes. . .changes. . .changes! Yes, we have more changes to talk about!

The accounting for the MAC PAC Contributions is being handled by Connie Hawkins, the Treasurer, and Rhonda Bailey with Cunningham and Company. With the new administration of the PAC comes a new process for contributions.

The correct address to send your Mac Pac contributions is:

**MAC PAC
c/o Rhonda Bailey
P.O. Box 29045
Greensboro, NC 27429**

There are some old Pledge Cards that have been distributed with the wrong PO Box so please make a note. IF you sent a contribution to the old P.O. Box, it will eventually be re-directed to the correct P.O. Box, but it will take about a week or so.

Rhonda Bailey will make all the deposits and notify Connie weekly. Connie will update the list of Contributions and distribute it weekly to Glen Cowart and Rhonda Marcum.

Also, when you complete the pledge cards, please write legibly. Be sure to include the date of your contribution, your email address, and the local association you wish to credit with your contributions.

All of this information will help Rhonda Bailey and Connie file the required reports in North Carolina and South Carolina. It will also help to insure that your contributions are credited correctly.

Thanks to everyone that has already contributed. And to those that have not, be sure to get your contributions in soon. If you have any questions about your MAC PAC contributions, please feel free to contact Connie Hawkins at 864-554-3455 or by email: chawkins@schmidtmortgagecorp.com.



Connie

North Carolina “S.A.F.E. Mortgage Lending Act”

By Hank Cunningham, CMB,
North Carolina Legislative Chair



The Legislature in North Carolina has spent much of the early part of the session focused on budget issues as the state is facing a significant shortfall in revenue and the legislature is required to have a balanced budget. However, for any bill to be considered in the legislature this session, it must have passed one house of the legislature by the cross-over deadline in mid May. As a result, we have seen a flurry of bills introduced, including 4 mortgage related bills, that have gained our attention. While I will continue to keep you updated on the progress of those bills, I want to focus this legislative update on change to our current licensing procedures in North Carolina. These changes are intended to enable the state to be in compliance with the federal legislation known as the S.A.F.E Act. This North Carolina legislation is known as the S.A.F.E Mortgage Licensing Act.

The good news is that we already had a licensing bill in North Carolina that has been in place for many years. As a result, we have a head start on many states. My purpose in this update is to outline the significant points as currently proposed:

Net Worth Requirements:

Mortgage Lender: \$100,000 with a liquidity requirement of \$1,000,000 (warehouse line)

Servicer: \$100,000

Broker: \$ 25,000 with a liquidity requirement of \$10,000

Surety Bond Requirements:

1. \$150,000 for a mortgage banker or broker with annual volume up to \$10MM
2. \$250,000 for a mortgage banker or broker with annual volume great than \$10MM but less than \$50MM
3. \$500,000 for a mortgage banker or broker with annual volume greater than \$50MM

The bond requirement may be waived at the discretion of the Commissioner under the following circumstances:

1. The mortgage banker or broker has been licensed for at least 3 years
2. The net worth of the mortgage banker or mortgage banker is at least 4 times the bonding requirement as evidenced by audited financial statements
3. The mortgage banker or mortgage broker has a satisfactory history of resolving complaints and the Commissioner has no reason to believe that the mortgage banker or broker will not be able to continue to fulfill its obligations under this Article.

Education:

The pre-licensing education is composed of 24 hours of education which shall include the following required hours:

1. 3 hours federal law and regulation
2. 3 hours of ethics including instructions on fraud, consumer protection and fair lending
3. 2 hours of lending standards for non-traditional mortgage products
4. 4 hours of North Carolina law and regulation

Educational hours that meet these requirements that are earned in other states will count towards meeting these requirements, with the exception of the 4 hours of North Carolina law and regulation.

All applicants for licensing in this state must have completed the above educational requirements and have passed a written exam to be licensed in this state. It is important to understand that there are many licensed loan officers in this state that were employed in the mortgage industry prior to the enactment of our first licensing bill. These loan officers were “grandfathered” and were not required to take the pre-licensing education nor were they required to pass a written exam. Under this bill and under the federal S.A.F.E. Act, these loan officers will be required to meet the educational requirements and pass a written exam to be eligible to renew their licenses beginning 12/31/10.

Continuing Education is required of all licensed loan officers and remains at a required 8 hours; however, the following education is to be included in the 8 hours and the loan officer may not take the same course in successive years:

1. 3 hours of federal law and regulation
2. 2 hours of ethics, including instruction on fraud, consumer protection and fair lending
3. 2 hours of training related to lending standards for nontraditional mortgage products
4. 1 hour of North Carolina law and regulation

As you can see from the outline above, the change in the surety bond requirements and the requirement that all loan officers in the state meet the minimum pre-licensing education and exam requirements are the biggest changes to our current bill. There has also been some consolidation of rules that were previously proposed and are now included in the bill.

The Office of the Commissioner of Banks has worked with the industry to provide feedback in the drafting of this bill. We will continue to monitor the bill as it moves through the legislative process and update you on any significant changes. As always, please call or email with any concerns or questions.

Hank can be reached at (336) 272-3061 or hankc@cunninghammortgage.com.

From: North Carolina Housing Finance Agency

To: MBAC Members

Neighborhood Stabilization Program Brings Hope to North Carolinians

In 2008, North Carolina experienced more than 50,000 foreclosures. Congress passed the Housing Economic and Recovery Act of 2008, which included \$52.3 million to help stabilize North Carolina neighborhoods. The North Carolina Housing Finance Agency (the Agency) was one of 20 local governments, non-profits and other organizations that will be assisting those hit hardest by the housing crisis. The Agency will use the \$4.2 million it received from the NC Division of Community Assistance through the Neighborhood Stabilization Program (NSP) to mitigate the number of foreclosed, vacant and blighted homes within 23 counties in North Carolina. The counties are Alamance, Brunswick, Buncombe, Cabarrus, Catawba, Cumberland, Dare, Davidson, Durham, Edgecombe, Forsyth, Gaston, Guilford, Iredell, Johnston, Mecklenburg, New Hanover, Pitt, Randolph, Rowan, Union, Vance and Wake.

The Agency will help home buyers by using the funds in conjunction with its FirstHome Mortgage program for down payment and closing costs on FHA or VA eligible loans. These soft-second mortgages will be 5-year, 0% interest deferred loans up to \$14,900 for eligible borrowers and properties. The loans may be forgiven on a pro rata basis at 20% per year for each 12 full months the borrower continues to own and live in the property.

Borrowers must be first-time home buyers or must not have owned a home and occupied it as their principal residence in the past three years. Current or previous homeowners may qualify if they are eligible for a special one-time Veteran's exception. All NSP borrowers must receive 8 hours of home buyer education and/or counseling from a HUD approved housing counselor prior to loan closing. Buyers must meet the FirstHome Mortgage income limits, which vary by county from \$56,000 to \$86,000.

The homes purchased must be foreclosed properties being sold by a bank, bank holding company, government agency, or authorized REO- designated entity. Only single-family homes, condominiums and townhomes qualify for the NSP funds; manufactured homes are not eligible. These properties must be purchased at or below 85% of appraised value, and the sales price cannot exceed \$210,000.

"We are pleased to offer another mortgage product that will build stronger communities in North Carolina, particularly those that were affected by foreclosure," said Bob Kucab, executive director of the N.C. Housing Finance Agency. "These properties will become opportunities for low-to-moderate income families".

For more information about the NSP funds, go to www.nchfa.com or call one of our underwriters for more details at (919) 877-5700.



**SOUTH CAROLINA
STATEHOUSE
COLUMBIA, SC**

**MBAC SOUTH CAROLINA LEGISLATIVE COMMITTEE
RECEIVES PERSONAL TOUR OF STATEHOUSE...**

As announced at the Single-Family Lenders Educational Conference, MBAC SC Lobbyist, Sharon Wilkinson arranged "Legislative Day" for the SC Legislative Committee on April 2, 2009.

Attending were Ken Cox, Michael Morris, and Rhonda Marcum, Committee Members, along with Sam Waters, Committee Chair and Sharon Wilkinson, SC Lobbyist.

Members received a guided tour of the Statehouse, observed the Senate and House during their floor sessions and attended the Banking and Consumer Affairs Subcommittee meeting where the Mortgage Lending Act was on the agenda. The Banking and Consumer Affairs is a Subcommittee of the Labor, Commerce and Industry Committee.

Wilkinson has offered to make this opportunity available to other MBAC members on a monthly basis.

Make Home Happen
With a Mortgage
Credit Certificate

Save up to
\$2,000 a year
on income taxes

- ▶ For first-time buyers
- ▶ Sales price up to \$220,000
- ▶ Can be used every year for life of the loan
- ▶ Can be combined with \$8,000 federal credit
- ▶ Quick decisions

NCHFA
HOUSING
FINANCE
AGENCY

Learn more at www.nchfa.com
or call 800-393-0988.

A SELF-SUPPORTING PUBLIC AGENCY

Attention Local Associations
To have local meetings and events posted on the MBAC web site, please issue a request to Rhonda Marcum at rbm@mbac.org thirty days in advance of the event.
Request should be made by email.

| MBAC Calendar of Events | |
|---|--|
| VA Origination Training Hilton Garden Inn 1325 Creekshire Way Winston-Salem, NC | May 12, 2009 9:00 a.m. - 3:00 p.m. |
| VA Origination Training Hilton Garden Inn International Blvd. N Charleston, SC | May 14, 2009 9:00 a.m. - 3:00 p.m. |
| MBAC Executive Committee 5950 Fairview Road Charlotte, NC | June 10, 2009 10:00 a.m. - 1:00 p.m. |
| MBAC Board of Directors, Committee Chairs and Local Association Presidents 5950 Fairview Road Charlotte, NC | June 10, 2009 1:00 p.m. 3:00 p.m. |
| MBAC 54th Annual Convention Hilton Head Marriott Resort & Spa One Hotel Circle Hilton Head Island, SC | August 22, 2009 August 24, 2009 |
| 96h Annual MBA Convention San Diego, CA | October 11, 2009 October 14, 2009 |

CALL FOR NOMINATIONS

Each year at the MBAC Annual Convention we recognize the Mortgage Banker and Mortgage Associate/Affiliate of the Year. The convention is August 22-24 so it's time to get your nominations in. 2008-2009 has been a unique and challenging year for our industry, yet around us are those who have made extraordinary contributions to their employers, local associations, MBAC and their community.

You know the people who have been truly remarkable because of and in spite of the current climate of our industry. Submit your nomination by July 22, 2009. That will allow the committee time to make the selection and will give MBAC time to prepare the recognition plaques. Applications can be found at www.mbac.org. Go to Award Recipients and scroll to the bottom of the page. Submit nominees to rbm@mbac.org or mail to MBAC, PO Box 2588, Mount Pleasant, SC, 29465, or FAX to (704) 625-7195. Call Rhonda Marcum at (704) 557-0204 with any questions.

| | |
|--|--|
| MORTGAGE BANKERS ASSOCIATION OF THE CAROLINAS, INC. | |
| <input type="checkbox"/> MORTGAGE BANKER OF THE YEAR <input type="checkbox"/> ASSOCIATE/AFFILIATE OF THE YEAR | |
| NAME OF NOMINEE _____ | |
| FIRM NAME _____ | |
| TITLE AND CURRENT RESPONSIBILITIES _____ | |
| LENGTH OF TIME IN CURRENT POSITION _____ | |
| EMPLOYMENT HISTORY WITHIN MORTGAGE INDUSTRY _____ | |
| EDUCATION: COLLEGE & DEGREE(S) _____ | |
| PROFESSIONAL DESIGNATIONS _____ | |
| PROFESSIONAL CONTRIBUTIONS (committee and/or offices held, awards, etc.) _____ | |
| COMMUNITY CONTRIBUTIONS (Civic, religious affiliations, not MBAC related) _____ | |
| PERSONAL DATA: Hometown _____ | |
| Spouse's Name _____ | |
| Children & Ages _____ | |
| Residence _____ | |
| Please attach a narrative: | |
| (1) Contributions nominee has made to their member company and the significance of those contributions | |
| (2) Contributions nominee has made to the industry | |
| (3) Other reasons for nomination (limit to 150 words) | |
| Submitted By _____ | |
| Date _____ | |
| Firm _____ | |
| Phone _____ | |
| MAIL TO: MBAC, INC., PO Box 2588, Mount Pleasant, SC 29465 FAX TO: (704) 625-7195 QUESTIONS: (704) 557-0204 E-MAIL: rbm@mbac.org DEADLINE TO RECEIVE NOMINATIONS – AUGUST 1, 2009 | |

MEMBER TALK.....

IN CHARLESTON, SOUTH CAROLINA.....

Mortgage Lenders Association of Greater Charleston awards one of three Wilma Adams Scholarships to Zachary Campeau. Campeau is the son of Ric and Debbie Campeau.

Ric, is a member of MLAGC, has served on its Board of Directors and numerous committees. He is employed with National City Mortgage.

Zachary is doing graduate work abroad and is directing his work toward International Business and Finance.

Details of other scholarships can be found at “Carolinas Corner”.



FROM BANK OF AMERICA TO HUD

Amanda Ward has joined the Department of Housing and Urban Development, where she is serving as FHA Senior Account Liaison for lenders, Realtors, trade organizations and non-profits throughout the Carolinas, Kentucky and Tennessee. Amanda has served on the Sponsorship Committee of MBAC chaired by David Cunningham.

Her contact information is:
FHA Office of Business Development
4512 7th Street SW, Room 9139
Washington, DC 20410
Cell: 704-649-4428
Phone: 202-402-3094
Amanda.e.ward@hud.gov

Amanda is available and eager to visit with our local associations to bring timely information on FHA. Please contact her if you would like to utilize her at a local meeting.



IN GREENVILLE, S.C.

MBAC and MBA partnered to bring “Servicing Today” Early Intervention and Loss Mitigation” to the Carolinas.

The MBA published course offered 8 hours CE and CLE credits to attendees. The course additionally offered CMB points. Over thirty individuals took advantage of the offering.

Pat Taylor, the trainer, provided timely and entertaining information to the diverse group. Attorneys, servicing lenders and non-profits participated.



Carolinas' Corner



FAYETTEVILLE INSTALLATION OF OFFICERS



MBA of Fayetteville Officers and Directors were installed March 12th, 2009 at Sammio's Restaurant in Fayetteville. MBAC President Phil Mahoney installed the new board.

From left to right are Randy Carpenter, Director; Abby Guadalupe, Vice President; Michael Liles, President; Debbie Godwin, Secretary/Treasurer; Susan Benoit, Director; and Melody Spaulding, Immediate Past President/MAC-PAC Chairperson

Mortgage Lenders Association of Greater Charleston Kicks Off Education Series.....

The MLAGC held its first of three educational sessions on March 25, 2009 at the Hilton Garden Inn in North Charleston, SC. The session, co-coordinated by Board Member and Educational Chairman, Carson Williams brought area experts to the membership to address topics relative to current Mortgage Lending issues. Areas covered included the "Human Side" of working with borrowers who have encountered financial setbacks; loan modification procedures including guidelines from Fannie Mae and Freddie Mac; Short Sales; and Bankruptcy Protection.

Donna Lehmer, First Federal of Charleston, Management Team presented the segment on loan modifications. Jimmy Foti, of Foti and Weeks Law Firm addressed Short Sales, and Kevin Campbell of the Campbell Law Firm covered bankruptcy issues.

WILMA ADAMS SCHOLARSHIPS AWARDED

MLAGC(Charleston) awarded three \$1000 scholarships at its April luncheon, held at the Hilton Garden Inn, N. Charleston.

Recipients were Zachary Campeau, Danielle Barry and Corey Savard.

Campeau is doing graduate work and is studying abroad. Barry attends the Citadel and Savard is attending the College of Charleston.

WNC HOLDS ANNUAL "COATS AND HATS" DRIVE

Annually Western North Carolina holds a "Coats and Hats" drive to benefit ABCCM. This year collected were a dozen coats and jackets; a dozen pairs of gloves; six hats/caps and three scarves.



LEA ANN MITCHELL, SENIOR ACCOUNT MANAGER, FANNIE MAE, was guest speaker at the MLAGC April luncheon. Ms. Mitchell and her team serve lenders in GA, MD and SC. Her presentation was focused on Fannie Mae's commitment to serve its clients and to explain recent changes.