



A National Document Preparation Service for the Mortgage Industry

Business and Customer support hours: 6:00 AM to 5:30 PM PST (Mon. – Fri.)
Web Entry & Web Delivery - Computers on-line 24/7

June 2003

NEWSLETTER

Money rates for end of month June 2003 as reported in the Wall Street Journal

Prime	4.00%
6 month Libor	1.11938%

Federal Reserve Statistical release H.15 for June 15, 2003 (For Section 32 purpose)

Treasury Securities	
5 Yr.	2.080%
10 Yr.	3.130%
15 Yr.	3.130%
20+ Yrs.	4.130%

*Note: all rates are for reference only, you may check the actual rates at: www.federalreserve.gov/releases/h15/

ICC NEWS

LORI IS CONCERNED...

Lori Lytle, manager of ICC's customer service department has a lot on her mind these days. Among her latest concerns are:

Earlier rather than later... The earlier you submit your document and program changes to ICC, the faster we can schedule the implementation.

Program Reviews... You should schedule a periodic review of your program matrix to update all matrix values and eliminate the chance of errors by using old loan programs. To discuss these items with Lori, feel free to call our toll-free customer service line (888) 437-3627 or e-mail lori@iccdocs.com.

NEWS OF NOTE

GLB PRIVACY NOTICE RENEWALS ...

On May 24, 2000, the Federal Trade Commission released Title 16 CFR Part 313, a final policy rule as required by section 504(a) of the Gramm-Leach-Bliley Act ("GLBA").

Under this rule financial institutions and other non-traditional companies such as document preparation companies, tax preparation companies, and mortgage originators may be considered to be financial institutions, and as such, are required to provide written notice of their privacy policy annually to all clients.

Since this rule became effective on November 13, 2000 with full compliance being required by July 1, 2001, it is now time to insure that you have posted your required privacy notices.

You may view ICC's Annual Privacy Notice located on ICC's website at <http://www.iccdocs.com> and clicking on "Privacy."

MORTGAGE SOLICITORS BEWARE...

The national "Do Not Call Registry" is now open. According to both the FTC and FCC, the National Do Not Call Registry will make it easier and more efficient for consumers to stop getting telemarketing calls they do not want. Consumers can register in two ways: online or by calling a toll-free number. Registration is free and is available in both English and Spanish.

Consumers nationwide can register online at DONOTCALL.GOV. Consumers in states west of the Mississippi River (including Louisiana and Minnesota) can register by calling, toll-free, 1-888-382-1222 (TTY 1-866-290-4236). On July 7, phone registration will be open to the entire country.

If consumers register by phone, they must call from the number they want to register. If consumers register online, they must provide an email address. After registering online, consumers will receive an e-mail and need to click on a link in the e-mail within 72 hours to complete online registration. E-mail addresses on the registry will not be shared with anyone. Registration lasts for five years, until a number is disconnected, or until the consumer takes it off the registry.

The FTC, the FCC, and the states will begin enforcing the Do Not Call provisions of the Telemarketing Rules on October 1, 2003. On that date, consumers who register by August 31 will start to notice a downturn in the number of telemarketing calls they receive. Some calls, however, such as those from political organizations, solicitation calls on behalf of charities, and calls to conduct surveys, are not covered by the National Registry requirements. Consumers who sign up for the registry may still receive these calls.

In addition, companies with which consumers have an established business relationship may call for up to 18 months after the last purchase, payment or delivery, even if the consumer's name is on the National Do Not Call Registry. Companies to which consumers have made an inquiry or submitted an application can call for three months. If a consumer asks a company not to call, however, that request trumps an existing business relationship.

If consumers place their numbers on the National Registry, they may give written permission to particular companies that they want to hear from. If consumers do not put their number on the National Registry, they can still prohibit individual telemarketers from calling by asking them, one by one, to put them on their company's do not call list.

After October 1, 2003, telemarketers will be required to access the registry every three months and scrub numbers on it from their call lists. Telemarketers who call a number on the list could be fined up to \$11,000 per call. If you receive telemarketing calls after you have registered your phone number and your number has been in the registry for three months, you can file a complaint at DONOTCALL.GOV or by calling 1-888-382-1222.

Most of the 27 states that have active do not call lists plan to transfer the numbers on their lists to the National Do Not Call Registry. Some will not. A list of states transferring their do not call lists to the National Registry is posted at <http://www.ftc.gov/donotcall>.

Responsibilities of states under the new FCC regulations are located at

http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-235841A1.pdf.

AND THE UNINTENDED GOTCHAs...

While the "Do Not Call" concept appears to be extremely attractive to individuals, it does not come without a hefty price tag.

- Legitimate telemarketers will have to raise prices to compensate for the increased cost of doing business.
- And another preemption issue arises: Unless all of the states participate, there may be a patchwork quilt of lists ... all requiring some type of compliance in hinderence of interstate commerce.
- Even if there appears to be no personally identifiable information associated with the telephone number itself, comparison with previous lists may highlight valuable previously "unlisted" numbers as targets.

- The law will not eliminate offshore calls from cheaper foreign call centers. And enforcement against companies who continually change legal names might prove to be fruitless. One governor was fond of claiming that he welcomed "scam" telemarketing centers in his state. One, they did not scam his residents. Two, it provided a large number of jobs for people with minimal skills. And three, it added to the state's tax revenues. The same attitude is prevalent with offshore call centers.
- The law may also give rise to "Call Registry" scams who will take your money for placing you on the list and, in some instances, you may be billed through complicit telephone companies.

COMPLIANCE NOTES

MO Late Charge Fee for 2nd Mortgages

On August 28, 2003 MO Senate Bill 346 (Section 408.140.1 (3) changes the late fee to 5% of each installment or the minimum payment due or \$15, whichever is greater, not to exceed \$50.

NV Recording Requirements Effective July 1st

Documents must be submitted loose (not bound together), on 20-pound paper, printed on one-side only, without highlighted or colored text, without seal or stamp covering text or signatures, type to be at least 10-points (Times New Roman Font) and cannot be printed at a density of more than 9 lines per inch. All other margin requirements remain in effect. Penalty for non-standard documents is \$25. Reference: NV Senate Bill 451.

In other legislation from Nevada...

NV Assembly Bill 490 deals with mortgage licensing, the creation of a new regulatory agency and, in general, improves regulatory control over mortgage bankers at the state level.

NV Assembly Bill 284 effective October 1, 2003 prohibits unfair lending practices for home loans.

1003 CHANGES TO TAKE EFFECT JANUARY 1, 2004

Due to changes in the information requirements related to HMDA (Reg. "C") and the USA Patriot Act, Fannie Mae has revised their Uniform Residential Loan Application (1003). The new forms cannot be used prior to the adoption date.

OTHER NEWS OF NOTE

CALIFORNIA GOVERNOR RECALL ... A NECESSARY MOVE BY BUSINESS INTERESTS...

Lead by a broad coalition of concerned citizens, Californians are banding together to mount the State's first gubernatorial recall effort. After mismanaging the "manufactured energy crisis" which will keep Californian's locked into high rates for at least a decade, the Governor went on to lie about the magnitude of the state's deficit claiming a 12-billion dollar deficit pre-election that suddenly ballooned to 36-billion deficit post election. Under his watch, the State increased spending by 44% while the State's growth was 36% and income growth was 38%. The State's workmen's compensation taxes are also out of control. This prompted a recent announcement by Countrywide Funding, one of the states' largest employers, to consider moving any additional operations to neighboring Arizona as they continue to increase their workforce.

TECHNOLOGY

MICROSOFT AND SECURITY...

The funny thing about Microsoft is while they are always talking loudly about security, almost all of the security threats to the desktop computer are contained within their software. As an example of this type of thinking, Microsoft provided the world with internet connectivity and yet reserved certain "ports" for their own internal operations. Quoting from Steve Gibson's NanoProbe Internet Checkup, "Port 135 used for Remote Procedure Calls: This impossible-to-close port appears in most Windows systems. Since many insecure Microsoft services use this port, it should never be left 'open' to the outside world. Since it is impossible to close you will need a personal firewall to block it from external access." Another port, 445 (MSFT DS) first appeared in Windows/2000 and has been carried over to Windows/XP." Again, this requires a firewall for complete protection. The 5000 port known as UPnP (Universal Plug'n'Play) is "Microsoft's new protocol for allowing PCs to automatically discover and control a wide range of locally networked peripherals... and, unfortunately, Microsoft has enabled this insecure protocol by default – even if your system doesn't need it or use it." Check out Gibson Research's website at <http://www.grc.com> for a free, thorough test of your system and a few free downloads that can assist you in securing your machine from outside interference.

MICROSOFT AND ALMOST UNSTOPPABLE SPAM...

We are witnessing the rise of a little-used spam technique developed in the days of the DOS operating system. One that causes a spam message to appear as a "pop-up" on your screen just like all of the other system alerts. This method leaves very little clue to the sender's actual identity. And, since it uses a Windows program, it is virtually unstoppable without proper external protection. Unfortunately since it appears to be an "Administrative Alert," the unwary user could follow its request. If you have seen ads like the following two samples, this exploit has hit your system.

Messenger Service

Message from PRIVACY to SAVER on 6/28/2003 1:04:58 PM

WARNING: YOUR IP ADDRESS IS BEING OPENLY BROADCASTED OVER THE INTERNET. YOUR COMPUTER MAY BE RECORDING YOUR DAILY INTERNET ACTIVITIES. THIS IS A SECURITY RISK! IN ORDER TO PROTECT YOUR COMPUTER PLEASE GO TO <http://www.PrivacySaver.org> Before clicking OK please take note of URL: <http://www.PrivacySaver.org>

Messenger Service

Message from MESSAGE to AWAY on 6/28/2003 1:05:33 PM

WARNING: THESE MESSAGES ARE RECEIVED USING MICROSOFT'S WINDOWS MESSENGER IMPLEMENTED IN YOUR VERSION OF WINDOWS. THIS IS A SECURITY RISK! IN ORDER TO PROTECT YOUR COMPUTER PLEASE GO TO <http://www.MessageAway.com> Before clicking OK please take note of URL: <http://www.MessageAway.com>

It is one of the hottest things in spamming these days and is based on the Windows messenger application. Unfortunately you cannot simply turn off the "messenger service:" without potentially compromising other important pop-up messages from such critical services as your anti-virus software and print spooler. In addition to being a spam delivery agent, it may only be a matter of time until the hackers use this methodology to deliver viruses and other harmful agents.

The best defense is a firewall.

PRIVACY & SECURITY

BE CAREFUL WHAT YOU ASK FOR...

New services offering to update your e-mail address book by notifying recipients could be harmful to your professional health. Some of these programs are known to contain password hacks that allow access to your passworded e-mail address book. In spite of loud protests to the contrary, others may harvest your contact file, as all transactions seem to pass through a third-party server in order to render service. Other services offering to update your contact list after switching internet providers may also be as harmful. Any system which requires internet access to process your address book should be given careful scrutiny.

A LEVEL OF COMPLIANCE...

In dealing with privacy legislation, we have been asked, "What is the difference between policies, standards and guidelines?"

According to the SANS Security Institute...

- ***"A policy is typically a document that outlines specific requirements or rules that must be met.*** In the information/network security realm, policies are usually point-specific, covering a single area. For example, an "Acceptable Use" policy would cover the rules and regulations for appropriate use of the computing facilities."
- ***"A standard is typically collections of system-specific or procedural-specific requirements that must be met by everyone.*** For example, MISMO (Mortgage Industry Standards Maintenance Organization) is attempting to build standards which would allow the electronic creation, processing and exchange of mortgage-related information. Those organizations, who wish to work cooperatively, must adhere to the standard in order to be understood by another organization."
- ***"A guideline is typically a collection of system specific or procedural specific "suggestions" for best practice.*** They are not requirements to be met, but are strongly recommended. Effective security policies make frequent references to standards and guidelines that exist within an organization."

Of course, where the guidelines are issued by a Federal Agency such as the Federal Reserve, the Federal Trade Commission, OCC, OTS or others, it is best to adhere as closely to the guidelines as possible to avoid possible regulatory problems.

CONNECTIONS

NEWSLETTER AVAILABLE BY E-MAIL

For those who would like to receive our informative newsletter automatically each month, please contact Erin at ErinH@iccdocs.com to be added to the list.

At ICC, we appreciate and value your business. Feel free to call us toll-free at (888) 437-3627 or e-mail me at mike@iccdocs.com with your suggestions – Mike Straziuso, President

