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Web Entry & Web Delivery - Computers on-line 24/7

September 2003

NEWSLETTER

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

Prime	4.00%
6 month Libor	1.1800%

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

Treasury Securities	
5 Yr.	3.120%
10 Yr.	4.280%
15 Yr.	4.280%
20+ Yrs.	5.240%

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

ICC NEWS

FREE ADOBE READER NOW SUPPORTS MULTIPLE PAGE SIZES

Adobe's free Acrobat Reader (version 6.0) now features the ability to handle multiple page-sizes in a single print stream. While the download is in excess of 15 megabytes, the feature is welcomed by many with multi-bin printers. To use this feature simply check the box "Choose Paper Source by PDF page size" on the print dialog page.



You may obtain the latest version of the Free Program by clicking on the Adobe Logo or at:

<http://www.adobe.com/products/acrobat/readstep2.html>

ADDING DOCUMENTS TO A "PDF" DOCUMENT SET

A few clients asked us if it would be possible to add their own documents to an ICC document set. This can be easily accomplished by first converting the required documents into the PDF format and then using a merge program to combine the two PDF document sets into a single PDF document. For those using the free Acrobat Reader, we suggest the use of a special program called a virtual print driver. Instead of printing your documents to your normal printer, you select the virtual print driver

and use it to produce a PDF document. There are a number of PDF virtual print drivers on the market and ICC will be compiling a list of drivers in the near future. The virtual print driver can be used with any Windows-based program such as a loan origination system, escrow system or any other programs that have printed output. The second step is to use another program to merge the document sets into a single document. Again, there are a number of cheap, commercial products available, either as a stand-alone or as a "plug-in" product for the full version of Adobe Acrobat.

BI-WEEKLY CALCULATIONS AND DOCUMENT SETS

With the anticipated drop-off in re-fi business, some lenders are now turning to bi-weekly loan packages to provide an attractive alternative to borrowers who may have missed the previous low interest rates. Even the venerable Countrywide Home Loans is offering a free bi-weekly setup, but charges \$2 for each electronic draft. Previously, the setup and administration of bi-weekly loans was a profitable cottage industry populated with entrepreneurs. As more and more lenders start offering these programs, the borrower will save hundreds of dollars in setup and processing charges. ICC maintains the ability to compute any form of amortization, including bi-weeklies. Ask customer service for additional details.

DUAL-ENTRY FOR WEB DATA ENTRY NOW IN BETA TESTING

Responding to the demands of our customers for increased accuracy of data entered into ICC's proprietary Web Data Entry product, ICC is implementing a dual-entry system to mimic some of the large-scale systems, which feature the dual entry function. Currently in "beta" test, it is anticipated that this product will be available to all users in the near future. As with all enhancements, there is no additional charge for this increased functionality.

NEWS OF NOTE

FTC "DO-NOT-CALL" IMPLEMENTATION TO BE ADMINISTERED BY FCC – OCTOBER 1st DEADLINE STANDS

The FCC is stepping in to administer and enforce the "Do Not Call" program as it is unaffected by any existing court decisions. Previously a Federal Court judge ruled that the FTC had exceeded its mandate. Authorization for the FTC to proceed was barely provided by Congress, when a second judge stayed the order on constitutional issues involving equal protection (allowing calls by certain classes of callers and denying others) and 1st Amendment "protected speech" considerations. According to the FCC...

FCC Do-Not-Call Rules Remain in Force

Enforcement Begins October 1... FCC Chairman Michael K. Powell issued the following statement before today's scheduled Do-Not-Call legislation signing ceremony with President George W. Bush:

"The FCC will enforce its Do-not-call rules against telemarketers that have obtained the Do-Not-Call list from the FTC, beginning Wednesday. The FCC rules complement and expand on those of the FTC. FCC rules have not been disturbed by recent court cases. Last week, the 10th Circuit Court of Appeals refused to block the rules pending review—as the telemarketing industry had urged—citing the strong public interest of leaving the rules in place. The Commission intends to continue to administer and enforce its rules to the fullest extent possible as the litigation proceeds." This announcement can be found at:

http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-239340A1.pdf

An update can be found at the FTC's web site at: www.telemarketing.donotcall.gov.

The current site message is:

On September 25, 2003, the U.S. District Court for the District of Colorado ruled that the National Do Not Call Registry provisions of the Telemarketing Sales Rule (TSR) violate the First Amendment, and prohibited the Federal Trade Commission (FTC) from implementing the registry. The decision can be found at:

http://www.co.uscourts.gov/opinions/ewn_030184.pdf.

The FTC is seeking a stay of the court's decision. If granted, the FTC will be allowed to continue to implement the registry. If that request is denied, we will appeal to the 10th Circuit Court of Appeals. We expect ultimately to implement the national registry.

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Telemarketers who previously accessed the national registry certified that they would only use the list to avoid calling the phone numbers on that list. That is still true - the National Do Not Call Registry may only be used for the purpose of avoiding calls to numbers on the registry. A breach of this promise is subject to criminal prosecution by the U.S. Department of Justice.

Establishment and maintenance of the National Do Not Call Registry was to have been paid for with fees from telemarketers. Until pending legal issues are resolved, it is premature for the FTC to address requests for refunds of fees.

Additionally, the entity-specific do not call provisions of the TSR are still in force (as are all non-do not call provisions of the Rule). That means that companies may not call consumers who ask them not to call. The company-specific do not call rules apply to all telemarketing calls, including those made to consumers with which you have done business and telemarketing calls on behalf of charities. The FTC and its state partners are committed to enforcing the company-specific provisions of the TSR.

In the meantime, consumers can still put their numbers on the registry. Pending court action, the FTC cannot enforce the requirement for telemarketers to consult the list. Most telemarketers, however, also are subject to the Federal Communication Commission's do not call rule, which takes effect October 1, 2003. The FCC has announced that it will enforce its rule. In addition, some states have their own do not call lists that are still in effect.

CALIFORNIA UPDATE: WHO IS BEST FOR THE STATE AND THE MORTGAGE INDUSTRY?

Fellow Californians, all we can say is: "Your vote is critically important in determining the future business climate of California. Please vote as if both your personal and professional life depended on the outcome."

COMPLIANCE NOTES

Effective Date: October 1, 2003

FINANCIAL INSTITUTIONS ARE REQUIRED TO HAVE THEIR CUSTOMER IDENTIFICATION PROGRAM (CIP) DRAFTED AND APPROVED.

Financial institutions covered by the Customer Identification Program Requirements should have their programs drafted and approved. ICC can add any suitable CIP forms to any document set upon request. Contact Lori in customer service for further information.

Effective Date: January 1, 2004
NEW 1003 FORM

The URLA (Uniform Residential Loan Application) AKA Fannie Mae 1003/Freddie Mac 65) has been modified to incorporate several important changes in HMDA (Reg. "C") and the Patriot Act. The new form may not be used before January 1, 2004. A technical amendment to Reg. "B" has been issued to update the model application form. ICC has already reviewed the new form requirements and the programmed changes will take effect on January 1st. For those wishing a sample of the new 1003 form, please contact customer service.

Effective Date: January 1, 2004
ICC UPDATES FANNIE MAE DU FILE IMPORT STRUCTURE

ICC has reviewed the latest changes in the DU file structure to accommodate the new fields in the 1003 and will make the changes available as soon as they are required.

Effective Date: January 1, 2004
RESTRICTIONS ON TEXAS HOMEOWNERS INSURANCE (HB 1338)

As of January 1st, "No Lender, as a condition of financing a residential mortgage or providing other financing arrangements for residential property, including a mobile or manufactured home, may require a Borrower to purchase homeowners insurance coverage, mobile or manufactured home insurance coverage, or other residential property insurance coverage in an amount that exceeds the replacement value of the dwelling and its contents, regardless of the amount of the mortgage or other financing arrangement entered into by the Borrower. A Lender may not include the fair market value of the land on which a dwelling is located in the replacement value of the dwelling and its contents."

The bill can be found at:

<http://www.capitol.state.tx.us/cgi-bin/tlo/textframe.cmd?LEG=78&SESS=R&CHAMBER=H&BILLTYPE=B&BILLSUFFIX=>

Effective Date: January 1, 2004
AMMENDMENTS ON TEXAS COLLATERAL PROTECTION REQUIREMENTS (SB 1211)

"With respect to collateral protection insurance covering real property, a creditor, at the creditor's option, may obtain insurance that will cover either the replacement cost of improvements or the amount of unpaid indebtedness, subject to policy limits. The debtor shall be obligated to reimburse the creditor for the premium, finance charges, and any other charges incurred by the creditor

in connection with the placement of the insurance. The creditor may use the previous evidence of insurance coverage furnished by the debtor to determine the sufficient level of replacement cost coverage to be provided."

This Act takes effect September 1, 2003, and applies only to a mortgage or other financing arrangement for residential property that is entered into on or after January 1, 2004. Further information can be found at:

<http://www.capitol.state.tx.us/tlo/78R/billtext/SB01211F.HTM>

Effective Date: January 1, 2004
LOUISIANA TOUGHENS RECORDING REQUIREMENTS

Unless a notarized document contains the Louisiana State-issued notary identification number next to a notary's name, any county recorder may refuse to record the document. ICC plans to add a field for the notary identification number on the appropriate screens within its screen set. The legislation can be found at:

http://www.legis.state.la.us/leg_docs/03RS/CVT10/OUT/0000KTIV.PDF

PREPARING FOR THE NEW RESPA BY REVIEWING THE OLD REGS...

While waiting for the fabled fall-release of the new RESPA proposed rule, you might want to take a few moments to review some of the older provisions which HUD is vigorously enforcing. Originally released on July 12, 2002, FDIC's commentary on RESPA is still relevant today. The original document and its attachments can be found at:

<http://www.fdic.gov/news/news/financial/2000/fi10045.html>

<http://www.fdic.gov/news/news/financial/2000/fi10045a.html>

<http://www.fdic.gov/news/news/financial/2000/fi10045b.html>

The FDIC cites situations in which lenders may be violating RESPA, including:

- Fee splitting and payments for services not performed;
- Contracts with third-party settlement service providers including sham transactions;
- Referral fees from other financial institutions or mortgage companies;
- Referral fees from mortgage companies to affiliated bank employees.

OTHER NEWS OF NOTE

STATE PREEMPTION OF PREDATORY LENDING IN OAKLAND FAILS

California's 1st District Court of Appeals ruled that the Oakland's anti-predatory lending ordinance is not voided by a less rigorous state law regulating how much companies can charge for refinancing loans.

The original lawsuit brought by American Financial Services Association in 2001 claimed that the city ordinance should not go in effect because the state already has a law regulating similar loan practices.

Lenders are not through yet. The provision of the ordinance, which may hold secondary market investors liable, is still a major problem. Both sides are awaiting the next court case or preemption move, possibly on the Federal level.

CITY OF DAYTON (OHIO) UNENFORCEABLE

In the Common Pleas Court of Montgomery County, Civil Division, Judge G. Jack Davis ruled that the City of Dayton's predatory lending ordinance (29990-01) was unenforceable. The judge held that there is a conflict between the City of Dayton's ordinance and state statute, whereas the city ordinance is not purely a matter of local self-government and that the state statute is general law. Review of court documents can be found under Case Number 02CV03441 at:

http://www.clerk.co.montgomery.oh.us/pro/image_onbase.cfm?docket=6603877

PREEMPTION: NEW MEXICO JOINS GEORGIA, NEW YORK AND NEW JERSEY

The OTS has issued a legal ruling that claims a federal law preemption of the provisions of New Mexico's Home Loan Protection Act. Therefore, the act will not apply to federal savings associations or other regulated entities. The opinion can be found at:

<http://www.ots.treas.gov/docs/56306.pdf>

FHA SUBPRIME PROGRAM MAY NOT BE DEAD...

The Senate House Appropriation's Committee disagrees with the House Appropriation's Committee and wants to allow the FHA to engage in subprime lending activities. Provisions in the Senate version would permit the FHA to set higher down payment requirements for credit-impaired borrowers and to increase their insurance premiums up to twice the normal rate. Rewards for on-time mortgage payments and other rebates are also being con-

sidered. Two sticking points for the House were the possibility of an estimated 15% default rate and rewarding credit-impaired borrowers over those with better credit.

TEXAS JOINS THE UNITED STATES – LAST STATE TO ALLOW HELOCS

Texas voters have finally approved a constitutional amendment allowing HELOCS (home equity lines of credit). Texas lenders are scrambling to market the new product. Historically, Texas is the last state in the country to allow this kind of borrowing which was previously restricted as Texas's tried to preserve the sanctity of the homestead by curbing those financial "highbinders" from plundering a home's equity. This program will commence sometime in mid-October after the election results are certified by the election commission. Like everything else in Texas, they have their own unique requirements.

- Texas borrowers are limited to one home equity loan and one refinancing of that loan each year.
- Draws are limited to increments of \$4,000.00.
- There is a 50% ceiling on borrowing even though traditional lenders in other states allow loans up to 80% of a home's value.

EMERGENCY UPDATE>>>

CONGRESSIONAL ACTION PROVIDES \$3.8 BILLION DOLLAR AUTHORITY FUNDING TO COVER ALL LOANS IN PIPELINE THROUGH OCT 31st.

Both the House and Senate passed an emergency funding bill to provide \$3.8 billion dollars for the FHA's General and Special Risk Insurance Fund programs which affects multi-family mortgages, rehabilitation loans, condominium loans and reverse mortgages. It is anticipated that this funding will cover all loans in the pipeline plus all loans between program shut down on Sept. 16th and October 31st. Congressional action to fully fund the programs will be delayed for further hearings.

HUD ANNOUNCES TEMPORARY SUSPENSIONS OF MULTI-FAMILY, REVERSE MORTGAGE AND CONDOMINIUM LOAN PRODUCTS

Due to a lack of continuing funding commitments, HUD has temporarily suspended a number of programs dealing with multifamily programs and other so-called niche products such as the condominium and reverse mortgage programs. The shutdown affects loans insured by the FHA General and Special Risk Insurance program, which has exhausted its \$23 billion loan commitment authority. Special procedures will be in effect from September 16,

2003 until the enactment of supplemental commitments. More information can be found at:

MORTGAGEE LETTER 2003-13

[http://www.hudclips.org/sub_nonhud/cgi/nph-brs.cgi?d=MLET&s1=03-\\$\[no\]&op1=AND&SECT1=TXTHLB&SECT5=MLET&u=./hudclips.cgi&p=1&r=4&f=G](http://www.hudclips.org/sub_nonhud/cgi/nph-brs.cgi?d=MLET&s1=03-$[no]&op1=AND&SECT1=TXTHLB&SECT5=MLET&u=./hudclips.cgi&p=1&r=4&f=G)

MORTGAGEE LETTER 2003-14

[http://www.hudclips.org/sub_nonhud/cgi/nph-brs.cgi?d=MLET&s1=03-\\$\[no\]&op1=AND&SECT1=TXTHLB&SECT5=MLET&u=./hudclips.cgi&p=1&r=3&f=G](http://www.hudclips.org/sub_nonhud/cgi/nph-brs.cgi?d=MLET&s1=03-$[no]&op1=AND&SECT1=TXTHLB&SECT5=MLET&u=./hudclips.cgi&p=1&r=3&f=G)

FEDS ADOPT NEW TOOLS TO FIGHT MORTGAGE FRAUD

As night follows the day, any economic downturn increases the number of mortgage defaults. However, this time around, lenders may look to brokers who have falsely inflated the borrower's income or fudged on the numbers. When the Feds get involved, you will see forensic tools and techniques previously authorized only for terrorist activities. Since these tools and legal techniques allow a much broader scope of inquiry, many more cases of fraud may be developed...resulting in more criminal, as well as civil, penalties. Even though loan officers try to do well by the borrower, there must be clear guidelines governing their efforts. As an additional reminder, there have been several court cases which have held employers responsible for their employee's actions. ICC can build in audit notifications into the processing of their document packages. Some customers take advantage of having certain proof sheets or entire document sets routed to internal auditors for examination. ICC can implement many audit safeguards and we are always willing to discuss the matter with your firm's principals and auditors.

REVIEW OF GLBA PROMISED...

Financial Institutions Subcommittee Chairman Spencer Bachus (R-AL) has promised that his committee will re-examine the provisions of the GLBA next year. While the basic provisions regarding the necessity for protecting "Nonpublic Personal Information" may be extremely clear, there is room for more specific recommendations and guidelines in applying the provisions of the Act to day-to-day operations. While there are some that want to eliminate some of the GLBA's protections in the name of national security, Bachus represents the cool head of reason who will demand that a strong case be made before tampering with existing legislation. Bachus is also involved with the bi-partisan markup of the FCRA bills in

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the conference process where both the House and Senate versions are reconciled and proposed amendments are either incorporated or dropped by the wayside.

PRIVACY & SECURITY

CALIFORNIA'S NEW "ANTI-SPAM" LAW

Continuing with tough privacy legislation like SB-1 and SB-1386, California's governor signed SB-186 into law. This may prove to be the toughest "anti-spam" legislation in the nation. Most certainly it will affect the entire financial services community.

The bill would:

- *prohibit a person or entity located in California from initiating or advertising in unsolicited commercial e-mail advertisement;*
- *prohibit a person or entity not located in California from initiating or advertising in unsolicited commercial e-mail advertisements sent to a California e-mail address;*
- *prohibit a person or entity from collecting e-mail addresses;*
- *prohibit a person or entity from registering multiple e-mail addresses for the purpose of initiating or advertising in an unsolicited commercial e-mail advertisement from California or to a California e-mail address;*
- *prohibit a person or entity from using a commercial e-mail advertisement containing certain falsified, misrepresented, obscured, or misleading information;*
- *authorize the recipient of a commercial e-mail advertisement transmitted in violation of these prohibitions, the electronic mail service provider, or the Attorney General to bring an action to recover actual damages and would authorize these parties to recover liquidated damages of \$1,000 per transmitted message up to \$1,000,000 per incident, as defined, subject to reduction by a court for specified reasons;*
- *provide for an award of reasonable attorney's fees and costs to a prevailing plaintiff;*
- *provide that a cause of action in existence prior to its enactment would be governed by the law in effect at the time it arose.*
- *prohibit the registered user of an e-mail service provider, or any individual, corporation, or other entity, from using or causing to be used the provider's equipment located in this state in violation of the provider's policies with regard to unsolicited e-mail advertisements;*

- *authorize an e-mail service provider whose policy is violated to bring a civil action to recover specified damages;*
- *prohibit an e-mail service provider from bringing an action under both this provision and other provisions being added by the bill for the same unsolicited e-mail advertisement;*
- *provide that if any part of these provisions or their applications is deemed invalid, the invalidity would not affect other provisions.*

According to the bill's author Senator Kevin Murray (D), this legislation will cover all unsolicited commercial e-mail. There are no anticipated loopholes and fines up to \$1 million dollars may be imposed. The bill can be found at:

http://www.leginfo.ca.gov/pub/bill/sen/sb_0151-0200/sb_186_bill_20030924_chaptered.html

FIRESTORM OVER TREASURY DEPARTMENT'S OK ON USING MEXICAN MATRICULA CONSULAR CARDS AS LEGAL ID

In spite of California's new Drivers License Law, which permits anyone, even illegal immigrants to obtain a valid California Drivers License (after January 1st) for purposes of identification, the Department of Treasury said it would not change the final rule implementing customer identity verification requirements under section 326 of the USA PATRIOT Act.

This would allow the Matricula cards to continue to be used as legal IDs. In the same announcement, financial institutions are being given a pass on the necessity to photocopy identification documents. Bowing to the pressure of financial institutions with heavily ethnic constituencies and community activists, the government backed down from implementing a tougher security standard. More information can be found at:

<http://www.ustreas.gov/press/releases/js743.htm>

When considering the fact that real property can be used by terrorist sleeper cells as a base of operations and to finance future operations upon the sale of the property, it is only a matter of time before the Department of Homeland Security coordinates its identification requirements with those administered by other government agencies.

Many trade associations are filing guidance complaints with the Treasury Department. In a news release, the Federation for American Immigration Reform (FAIR) claims that the Treasury Department's move to loosen identity document requirements for financial transactions is a direct threat to national security and hamstrings ef-

forts to regain control of our borders. The release can be found at: <http://www.fairus.org/html/07446306.htm>

MBAA ENTERS SECURITY BUSINESS

The MBAA has established a new business unit to assist the industry with security compliance by offering information and products which will allow for an easier implementation of the myriad of information protection legislation. The site at <http://www.protectinfo.com> is still under construction and will feature on-line compliance assessment tools for measuring compliance with the FTC's Information Safeguards Rule which implements the provisions of the Gramm-Leach-Bliley Act.

HUD NABS ANOTHER RESPA VIOLATOR FOR REFERRAL FEES

RESPA prohibits kickbacks for the referral of real estate settlement business as well as the giving and receiving of a portion of real estate settlement charges for which no services are performed. A HUD investigation found Znet paid ReMax of Atlanta real estate agents as "employees" even though the agents performed little or no work for the lender.

"RESPA is very clear that creating the illusion of employment to mask otherwise illegal referral fees is not permitted," said John C. Weicher, HUD Assistant Secretary for Housing - Federal Housing Commissioner. "Real estate agents, brokers and lenders should know that they will be held accountable for kickbacks and unearned fees."

HUD's investigation found that Znet represented the ReMax of Atlanta agents as "employees," paying them \$400 for each consumer referred to Znet. The real estate agents are actually "sham employees" after investigators found the agents performed little or no origination work other than filling out loan application forms. More information can be found at:

<http://www.hud.gov/news/release.cfm?content=pr03-096.cfm>

VERISIGN HIJACKS MISTYPED WEB ADDRESSES FOR PROFIT...

In a startling move, any person who mistypes a web address will be redirected to a Verisign page that may contain other address suggestions and paid advertising. This is similar to an approach by both Microsoft and Netscape when mistyped addresses are entered into their respective browsers. The browser then takes you to a search engine which allows you to continue to search for the correct address.

Since Verisign is charged with maintaining the .com and .net domains, it is possible that someone trying to access your web site will wind up being directed to a competitor. We believe that this is an abuse of the trust placed in Verisign to administer the domains in a neutral environment.

OCTOBER 14TH PROPOSAL COMMENT DEADLINE ALMOST HERE

Comments regarding joint FDIC, Fed, OCC, and OTS proposed guidance establishing standards for safeguarding customer information are due by October 14, 2003. The original request for comments was made on August 12th and can be found at:

<http://www.occ.treas.gov/fr/fedregister/68fr47954.pdf>

TECHNOLOGY

BACKUP/RESTORE VS. RE-INSTALLATION MIGRATION

It is ICC's practice to purchase the latest and greatest hardware and operating systems in order to test our systems. Over the years, ICC has used many different products under both the best and worst circumstances. ICC would like to pass along these tips from ICC's Tech-Lab.

When the replacement hardware is radically different from the original hardware or there is a change in operating system versions, we found that it is quicker and easier to simply re-install all of the software products and then migrate the data files after performing a "base system" backup. *A word of caution: if the failed hard drive contains bad data, one should not use any disk restoration method, which may result in placing corrupt data on another disk.* One product that seems to be particularly useful is IntelliMover by Detto (www.detto.com), which can transfer data files, e-mail files, and certain program settings via parallel cables, USB cables or over an internet connection. ICC is fond of using removable disk drawers for their hard disks. This allows for a fast swap of hard disks in order to test another operating system or simply replace a damaged disk with a new disk, which has been pre-configured with a base system. Another useful product is Symantec's (www.symantec.com) "GHOST" program, which allows entire disk images to be saved and copied onto new disks. ICC's tech guru, Tony Evans, has a wealth of knowledge concerning problem systems and is willing to assist ICC's customers by discussing various backup/restore or replacement options. Remember, there is a difference between simply restoring a disk image to a system and migrating data between two systems. IntelliMover is more a migration aid while Ghost is a backup/restore aid. For day-to-day

backup operations ICC uses Backup My Pc from Stomp (www.stompinc.com), which is the personal edition of BackupExec. To be noted, BackUpExec Lite is the backup program found in Windows programs. ICC urges you to make sure that any information contained on the replaced hard disk is actually destroyed to avoid FTC and GLBA privacy violations.

CONNECTIONS

MISLEADING TV & RADIO MORTGAGE ADS

While it is normal for advertisers to exaggerate in commercials, we are witnessing the rise of entertaining, but misleading advertising. Some ads are thinly veiled attacks on their competition. Others distort the effort required to file an application; thus perpetuating "app fear" within the potential borrower community. Unless advertisers curb their creative impulses and stick to more factual advertising, we may see broker and lender ads consisting of a single screen of barely perceptible print containing nothing but the loan caveats and licensing information. Forewarned is forearmed.

ANTI-BANK PROVISION GOOD FOR 2004

The way it is done in Washington. An appropriations bill passed on September 9th contains a provision preventing the Treasury Department from finalizing a rule which would allow banks to engage in real estate brokerage and management activities during fiscal 2004. Local real estate agents are terrified that banks will turn their financial knowledge of a customer's current situation into a lead generation mechanism, which will eventually freeze the locals out of lucrative business.

UNFAIR COMPETITION

We have all heard the stories about the unfair competition that arises from the government's participation in private enterprises. No doubt, the GSEs come to mind, but another source of unfair competition may soon surface. Trade associations who are promoting standards, technology products and other commercial products. In an effort to generate funds from a shrinking constituency, many organizations are spinning off "non-profit" entities that directly challenge commercial services. Since many of these trade associations have a functional overlap in the data that they handle, it is important for trade association members to make each trade association understand that data common to many transactions must be treated in a standardized manner, which is technology, vendor and trade association neutral. To do anything else is to perpetuate conflicting standards, which defeats the purpose of a "standard."

ABA TO OFFER RATES ON WEB SITE

The American Bankers Association and Datatrac (not the mortgage product from Del Mar Database) will be offering real-time access to Datatrac's database of deposit and lending interest rates covering more than 14,000 financial institutions nationwide. There was no mention of any imposed fees and the project is scheduled to be implemented prior to year's end.

IMAGINE FANNIE AND FREDDIE AS PRIVATE COMPANIES?

The wrangling over the agency and method of supervising the GSEs is continuing. The Republicans are reading policy papers regarding the privatization of the GSEs. Possibly worried about the financial impact of the GSE's derivative operations and portfolio, this would be a clear signal to the investing public that these securities are no longer backed by the full faith and credit of the United States Government. The impact of such a statement would be far-reaching and could panic investors. In some privatizations, non-profits were required to establish large foundations to serve the public welfare with the dollar cost being estimated as the taxes that would have been paid by a "for profit" organization.

INTERESTING LINKS

Courtesy of Scott Dodson, President and CEO of Federal Mortgage Licensing, Inc., a consultancy that specializes in assisting mortgage brokers and bankers in securing Federal approvals, comes information on both the requirements and the approval process.

TYPES OF FHA/HUD APPROVALS

- [Loan Correspondent \(Broker/Mini-Eagle\)](#)
- [Non-Supervised Mortgagee \(Lender/Full-Eagle\)](#)
- [Branch Office](#)

HUD REQUIREMENTS

- [Loan Correspondent Approval Requirements](#)
- [Non-Supervised Mortgagee Requirements](#)
- [Branch Office Approval Requirements](#)
- [Conversion from Loan Correspondent to Non-Supervised Mortgagees Approval Requirements](#)

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

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