

State & Local Issues Tracking Chart - 2007										LEGEND	
NRMLA										Status: Active - Legislative Bill in Consideration Status: Inactive - Terminated Legislative Bill by vote or non-action Status: In Effect - Statute or Regulation enacted and currently in effect (or to be in effect on specified date)	
Priority Level	Status	Issue Area	State	Bill/ Issue	Bill Title/Topic	Date Checked	Last Change	Analysis Source	Last Major Action	Summary & Background	Additional Resources
Low	Inactive	Consumer Protection	Colorado	Regulation	CB101.65 and IB6F				Approved on 10-8-07. In effect December 31, 2007	Under the new rules, banks will be required to provide prospective borrowers with information about the costs, features and risks of nontraditional mortgages, and apprise them of potential payment increases. Banks must avoid marketing practices that obscure the product's risks, or lead consumers to rely on "payment patterns that are structurally unlikely to occur." They are told to refrain from practices such as predicting the future direction of interest rates.	
Low	Inactive	Property Tax	Colorado	SR 8	Reverse Mortgages – Resolution urging HUD to issue a mortgagee letter regarding payment of property tax process.	4/20/07	5/14/07	WBSK	Signed by the President of the Senate	No impact. This resolution asks HUD to provide guidance on how a borrower and lender should arrange the payment of property taxes. However, existing HUD Regulation 24 CFR Section 206, Part 205, provides such guidance.	
Medium	In Effect	Recordation Tax	Florida	Existing Statute/Regulation	Recordation Tax	10/8/07	n/a	NRMLA Committee (DC)	Based on comments from NRMLA, MD Assistant Attorney General is considering issuing an advisory bulletin.	Impacts RMs. Monitoring. HECM borrowers must pay a tax based on a percentage of the maximum claim amount.	
Medium	In Effect	Recordation Tax	Georgia	Existing Statute/Regulation	Recordation Tax	10/8/07	n/a	NRMLA Committee (DC)	-	Impacts RMs. Monitoring. HECM borrowers must pay a tax based on a percentage of the maximum claim amount.	
Low	Inactive	Predatory Lending	Maine	Enacted Law (LD 1869)	An Act To Protect Maine Homeowners from Predatory Lending	10/3/07	6/11/07	NRMLA Committee	Signed by the Governor into Law, effective 1-1-2008	Does not impact RMs. According to Section 4. 9-A MRSA §8-103, sub-§1-A (V), a reverse mortgage transaction is exempt from the definition of the residential mortgage loan.	NRMLA Documentation
High	Active	Recordation Tax	Maryland	Existing Statute/Regulation	Recordation Tax	10/18/07	n/a	WBSK, NRMLA Committee (DC)	NRMLA has actively been involved with state regulators.	Impacts RMs. Monitoring. This issue is regarding how Maryland addresses mortgage recordation taxes on RMs.	Memo from NRMLA General Counsel, April 2007
High	Active	Title Insurance	Maryland	Existing Statute/Regulation	Title Insurance	10/18/07	n/a	WBSK, NRMLA Committee (DC)	NRMLA has actively been involved with state regulators.	Impacts RMs. Monitoring. This issue is regarding how Maryland addresses title insurance provisions for RMs.	
Low	Inactive	Consumer Protection	Massachusetts	Regulation	940 CMR Part 8 - Attorney General Regulations Under Chapter 93A - Mortgage Lenders and Brokers	10/17/07	10/17/07	NRMLA Committee (BK)	Final rule published on 10-17-07; Effective 11-15-07. Standard form in effect 1-2-08	No impact.. RMs exempt from regulations (Section 8.02 "Scope", ¶ 3). Summary of regulations: Prohibitions on "unfair or deceptive" marketing practices. Required disclosures & required standard disclosure form; requirement that lender must provide disclosure forms "in a language understood by the borrower" and use interpreters; receive written permission to make charges on behalf of the client; comprehensive underwriting and full income disclosure; and other rules to prevent unfair or deceptive practices.	MA Regulation on file, NRMLA Documentation
Low	Inactive	RM Incentive Program, Nursing Home Diversion	Minnesota	SB 2171	Omnibus health and human services appropriations (Article 5)	6/13/07	5/8/07	WBSK	HB 1401/SB 196 incorporated into Health and Human Services Omnibus Bill.; Vetoed by Governor.	Governor did not specifically object to the reverse mortgage language. Gov. Pawlenty said the bill is an unfunded mandate and he is asking the legislature to budget funds for the bill.	Summary on NRMLAonline, NRMLA Memo, Letter from Governor Tim Pawlenty with the veto of SB 2171.

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Low	Inactive	RM Incentive Program, Nursing Home Diversion	Minnesota	HB 1401	Reverse mortgage incentive program (Companion Bill to SB 196)	6/13/07	3/28/07	WBSK	Referred to Finance Committee, which re-referred Health and Human Services Committee, Finance Division. Legislature Adjourned on 5/19/07, thus terminating this bill.	Impacts RMs. Inactive: 2007 Legislative session ended. Monitoring for re-introduction in 2008 legislative session which begins on 2-12-08. Companion bill to SB 196. Bill Summary: Encourages use of RMs to pay for costs of alternatives to nursing homes, including payment of the initial MIP up to \$1,560 (annually adjusted); With federal approval, payments to reduce service fee set-asides; Revision in counseling requirement to include explanation of the MN RM incentive program; Requires counseling for all RMs, failure to do so results in penalty of \$1,000 payable to the mortgagor; Add RM information to MN's information referral hotline, Senior LinkAge; State Board on Aging to conduct RM outreach campaign.	Summary on NRMLAonline, NRMLA Memo
Low	Inactive	RM Incentive Program, Nursing Home Diversion	Minnesota	SB 196	Reverse mortgage incentive program (Companion Bill to HB 1401)	6/13/07	3/12/07	WBSK	Referred to Finance Committee. Legislature Adjourned on 5/19/07, thus terminating this bill.	Impacts RMs. Inactive: 2007 Legislative session ended. Monitoring for re-introduction in 2008 legislative session which begins on 2-12-08. Companion Bill to HB 1401: Same provisions as HB 1401. Impacts RMs. Inactive. 2007 Legislative session ended.	Summary on NRMLAonline, NRMLA Memo
Low	Inactive	Negative Perception of RMs	Missouri	Letter	Letter to Attorney General	n/a	9/27/07	NRMLA	Letter drafted and sent to Cheryl Chapin to Annie Cook, Wells Fargo Reverse Mortgage Specialist in Columbia, MD.	Letter to respond to Attorney General Jay Nixon's comments at the at the Annual Show-Me Aging Summit on 9-19-07 that referred to reverse mortgages as scam.	NRMLA Documentation
Medium	Active	Recordation Tax	New York	Advisory Opinion	Clarification of the exemption from mortgage taxes for seniors in a HECM loan transaction	10/18/07	-	WBSK	Advisory Opinion to be publicly released in early November.	Reportedly, the AO confirms that such HECM transactions are exempt from the mortgage tax; contains instructions for the affidavit of exemption to be filed with the mortgage in the local recorder's office for such transactions.	NRMLA documentation
Medium	Active	RMs for Co-ops. Recordation Taxes	New York	HB 4735-A	An act to amend the real property law, in relation to reverse mortgage loans	10/3/07	6/20/07	WBSK	Reported and referred to Assembly Rules	Monitoring. Provides for RMs on co-ops, life estate, trust and leasehold interests; eliminates minimum income requirements, eliminates a term mortgage payout option, eliminates waiver of counseling; waives the recording tax for RMs. Companion Bill to SB 4061. NY Legislature to adjourn on 1/2/08; Bills in 2007 session do not carryover to 2008 session.	NRMLA Memo, NRMLA Documentation
Low	Active	Consumer Protection	New York	HB 6720	Provides that a lender may receive not more than 20% of the future appreciation of property secured by a reverse mortgage granted to a person 60 years old or older	6/13/07	3/20/07	WBSK	Referred to Judiciary	Low impact on RMs. Monitoring. Would not affect HECMs. May affect products that have an equity share component (now rare) that are offered by NY State chartered banks. Companion Bill to SB 642.	
Low	Active	Consumer Protection	New York	SB 642	Provides that a lender may receive not more than 20% of the future appreciation of property secured by a reverse mortgage granted to a person 60 years old or older	6/13/07	3/12/07	WBSK	Passed Senate, delivered to Assembly and referred to judiciary	Low impact on RMs. Monitoring. Would not affect HECMs. May affect products that have an equity share component (now rare) that are offered by NY State chartered banks. Companion Bill to HB 6720.	
Low	Active	RM Incentive Program	New York	HB 822	Establishes a reverse mortgage loan program for low income seniors	6/13/07	1/3/07	WBSK	Referred to Committee on Housing	Does not adversely impact RMs. Monitoring. Companion Bill to SB 4062.	
Low	Active	RM Incentive Program	New York	SB 4062	Establishes a reverse mortgage loan program for low income seniors	10/3/07	6/20/07	WBSK	Referred to Senate Rules	Does not adversely impact RMs. Monitoring. Companion Bill to HB 822.	

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Low	Active	RM Insurance	New York	HB 2551	Authorizes SONYMA (State of New York Mortgage Agency) insurance fund to insure aggregates of reverse mortgage loans	6/13/07	1/17/07	WBSK	Introduced and referred to Committee on Assembly Housing	Does not adversely impact RMs. Monitoring.	
Low	Active	RMs for Co-ops, Recordation Taxes	New York	SB 4061-A	Provides for reverse mortgage loans on coop apartments.	10/3/07	6/20/07	WBSK	Referred to House Rules Committee from House Ways & Means	Monitoring. Provides for RMs on co-ops. Companion Bill to HB 4375.	
Low	Active	Tax Implications of RMs	New York	SB 1753	Establishes the reverse mortgage fairness act of 2007	10/15/07	1/25/07	WBSK	Introduced and referred to Committee on Senate Banks	Does not adversely impact RMs. Monitoring. Addresses tax implications of RMs. Amends Banking Law and Real Property Tax Law to prohibit proceeds received from reverse mortgages from being considered as income for the purpose of senior citizens' partial property tax exemption authorized by section 467 of the Real Property Tax Law. This bill would also provide, however, that monies used to repay a reverse mortgage may not be deducted from income, and further that any interest or dividends realized from the investment of reverse mortgage proceeds shall be considered income.	
Low	Active	RM Incentive Program	New York	SB 1189	Makes provision regarding credit needs of local communities	10/15/07	1/17/07	WBSK	Introduced and referred to Committee on Senate Banks	Monitoring. Encourages use of RMs by lower-income residents. Allows Community Reinvestment Act credits to be granted to banking institutions when they issue reverse mortgages to people whose incomes are 80% or less than the median income of their county of residence.	
Medium	In Effect	Brokering	North Carolina	Existing regulation	State ban on brokering of RMs	n/a	n/a	NRMLA Committee (DC)	-	The NC Commissioner of Banks issued a declaratory ruling stating that the brokering of RMs is not allowed.	Would require a fully resourced initiative.
Medium	In Effect	Counseling	North Carolina	Existing regulation	Face-to-face counseling requirement	n/a	n/a	NRMLA Committee (DC)	-	Telephone Counseling is not allowed. NC Housing Finance Authority which oversees counseling agencies in NC requires face-to-face RM counseling.	Would require a fully resourced initiative.
Medium	Inactive	Subprime Mortgages	Oregon	SB 965	Prohibits certain lending activities in connection with high-cost home loans. Creates private cause of action for damages.	9/25/07	9/25/07	NRMLA, WBSK	Unofficially Tabled. OR Legislative Session ended on 6/28/07. Last Legislative Action before Adjournment: Referred to House Elections, Ethics and Rules.	Monitoring for re-introduction in 2008/2009. OR legislature meets in odd numbered years. In 2008, OR will convene a special legislative from 2/4/07 to 2/29/07. 2009 Session begins on 1/2/09. Bill Summary: Legislation to restrict the use of subprime, interest-only, and negative amortization mortgages. RMs not specifically exempted. Concern that ban on high risk negative-amortization forward mortgages may inadvertently ban RMs. Passed OR State Senate on 5-11-07. In committee at end of OR State legislative session on 6-28-07.	NRMLA Documentation

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Medium	Active	Subprime Mortgages	Pennsylvania	Proposed Regulation	Proper Conduct of Lending and Brokering in the Mortgage Loan Business - PA Dept. of Banking Proposed Regulation (Chapter 46, Sec 46.2)	10/25/07	8/20/07	WBSK	Currently in review. Incorporating comments from the public and the PA Independent Regulatory Review Commission. Last Action: Comment Period closed on 8/20/07. NRMLA Submitted Comments to PA Dept. of Banking on 8/17/07; asked for an exemption for RMs.	State regulator clarified that regulations do not intend to impact RMs. NRMLA awaits response by the regulator to revise the proposed regulation or take another tantamount action. As currently stated regulations are intended for forward mortgages and are not appropriate for RMs. The current regulation would require all mortgages to consider borrower's ability to repay the loan, not relying solely on the resale of the home for repayment, and may not imply that a mortgage loan applicant's income is not relevant to the transaction.	NRMLA Documentation; Comments to PA Department of Banking. PA Dept of Banking Mortgage Reform page: http://www.banking.state.pa.us/banking/cwp/view.asp?a=1353&q=548201&bankingNav= 32150 32185
High	Inactive	Consumer Protection	Rhode Island	HB 5739A	An act relating to property – reverse mortgages	10/16/07	5/31/07	WBSK	Bill terminated. House passed as Sub A. Referred to Senate Corporations	Monitored for re-introduction in 2008. Regular session to begin on 1/2/08. Drafted and moved forward by the counsel to the RI Department of Elderly Affairs. NRMLA submitted testimony and suggested revisions to the bill. No agreement reached between key stakeholders, so legislation was killed. Companion Bill to SB 388, HB 5802.	Testimony, redrafted legislation, NRMLA documentation and correspondence
High	Inactive	Consumer Protection	Rhode Island	SB 388	An act relating to property – reverse mortgages	10/16/07	4/2/07	WBSK	2007 Legislative session ended on 6/22/07, thus terminating this bill. Last legislative action: Senate Corporations Committee recommended that the measure is held for further study	Monitoring for re-introduction in 2008. Companion Bill to HB 5802, HB 5739.	Testimony, redrafted legislation, NRMLA documentation and correspondence
High	Inactive	Consumer Protection	Rhode Island	HB 5802	An act relating to property – reverse mortgages	10/16/07	3/20/07	WBSK	2007 Legislative session ended on 6/22/07, thus terminating this bill. Last legislative action: House Corporations Committee recommended that the measure is held for further study	Monitored for re-introduction in 2008. Regular session to begin on 1/2/08. Companion Bill to Sib 388, HB 5739A.	Testimony, redrafted legislation, NRMLA documentation and correspondence
Medium	Active	RMs for Living Trusts	Texas	Existing Law	Living Trusts not eligible for RM	n/a	n/a	NRMLA Committee (DC)	-	Texas State Law states that you must be an individual to get a HECM. A property that is in a living trust is not eligible for a reverse mortgage loan under this statute.	

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Low	Active	Negative Perception of RMs	Utah		Property Tax Debate	10/15/07	9/19/07	NRMLA	Joint House and Senate Hearing hosted by Revenue and Taxation Interim Committee	Monitoring. Low priority. Very local issue. RMs tied in to controversy around property tax reassessment in the Salt Lake City Metropolitan Area. Public comments and advocates from "Utah Wingmen for Property Tax Reform." Suggestion from "Wingman" that RMs should be banned.	NRMLA Documentation