

DRAFT ADDITIONAL NRMLA STANDARD OF CONDUCT: PART-TIME REVERSE MORTGAGE LOAN OFFICERS

A NRMLA Lender Member that directly or indirectly engages part-time loan officers who both: (1) originate reverse mortgage loans for seniors; and (2) offer, originate, sell or provide advice to seniors about financial products (including investments, securities or other credit arrangements), insurance products (including annuities and homeowners insurance), other real estate settlement services, or financial planning (including estate planning), shall take special care to assure that such part-time loan officers are engaged in a manner that fully complies with all applicable laws and regulations and that such seniors are fully informed and not misled about the multiple products and services with which such loan officers may be involved.

Without limiting the foregoing, each NRMLA Lender Member shall assure that such part-time loan officers:

(A) Who are involved directly (or indirectly through an FHA-approved correspondent lender sponsored by such NRMLA Lender Member) in the origination of FHA-insured HECM loans for a NRMLA Lender Member: (1) originate such HECM loans only under the supervision and control of the FHA-approved lender or correspondent and are not otherwise employed or involved in the provision of any other real estate or real estate settlement services; (2) work only in a branch or office duly approved by the FHA; and (3) provide estate planning advice to such seniors (if any) only in accordance with applicable FHA requirements; and

(B) Who are involved directly (or indirectly through its approved loan correspondents or mortgage brokers) in the origination of any reverse mortgage loan (including a HECM loan) for a NRMLA Lender Member: (1) are compensated only for the reasonable value of the goods, facilities and services reasonably provided by such loan officers in connection with the origination of such reverse mortgage loan, unless such part-time loan officers are bona fide employees of such NRMLA Lender Member (or its approved loan correspondent or mortgage broker); (2) do not directly or indirectly arrange for the use or application of the reverse mortgage loan proceeds to purchase any other financial or insurance product unless such NRMLA Lender Member has reviewed, appropriately limited and approved the circumstances under which such part-time loan officers may engage in such activities (including but not limited to requiring the provision of appropriate disclosures to such seniors and not requiring such seniors to purchase from the NRMLA Lender Member or from or through such part-time loan officers any financial or insurance product in order to be approved for a reverse mortgage loan; and (3) is duly licensed (or exempt from licensing) to perform each activity each performs, including, as applicable, as a loan officer, insurance agent and securities or other advisor.