



About the MMBA

The Massachusetts Mortgage Bankers Association (MMBA) is the Commonwealth's trade association representing the real estate finance industry. Founded in 1974, the MMBA is the largest mortgage association in New England and is one of the most successful in the country. The association works to ensure the continued strength of the Commonwealth's residential real estate markets; to expand homeownership prospects through affordability; and to extend access to affordable housing. The MMBA promotes fair and ethical lending practices and promotes excellence and integrity among real estate finance professionals through a wide range of educational programs, advocacy and industry-wide publication.

The Massachusetts Mortgage Bankers Association (MMBA) represents 239 lending institutions made up of equal representation between depository institutions (banks and credit unions) and non-depository institutions (independent mortgage banker companies, mortgage brokers and all ancillary companies) which facilitate mortgage transactions throughout the Commonwealth.

ADVOCACY ISSUES

- Reverse Mortgage Counseling (H.1086)
- Defining Subprime Loans (H.974)
- Funding Through Transfer Taxes
- Credit Triggers (H.1049)
- FTHB Savings Accounts (H.2727/S.1787)
- New Housing Production (H.233)

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2023 Beacon Hill Issues

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H.1086 - An Act Expanding the use of Video and Telephone Conferencing for Reverse Mortgage Counseling (Financial Services Committee)

Currently Massachusetts mandates an in-person requirement to receive reverse mortgage counseling. During the pandemic seniors were given additional options to allow video or telephone conferencing to satisfy the in-person requirement. This option expires on March 21, 2024.

Providing seniors with options for how they obtain the required counseling benefits seniors, their families, and the counseling agencies. Here are a few reasons why we support this permanent option:

- Lack of capacity to handle in-person counseling: here are only 10 counselors in the entire state available to provide reverse mortgage counseling.
- At least 500 counseling sessions were conducted via telephone and video and the surveys show extremely positive feedback.
- Family members can participate easily when the sessions are conducted via telephone or video.
- A study filed with the House and Senate in 2015 recommended that legislators consider a teleconference option to comply with the in-person requirement.
- Massachusetts is the only state in the country which does not allow seniors alternatives to in-person counseling.

Action Needed: The MMBA STRONGLY SUPPORTS H.1086 and requests that this bill be expedited to permanently allow video or telephone conferencing to satisfy the in-person requirement.

H.974 - Defining Subprime Loans (Financial Services)

During the Great Recession several federal and state laws and regulations were implemented to protect consumers. Among these initiatives was MGL Chapter 184, Section 17B ½ specifically providing protections to First Time Home loan borrowers obtaining an adjustable-rate mortgage (ARM). The Division of Banks issued Regulatory Bulletin 1.3-104 to implement this law.

In 2022 because of rapidly rising interest rates and an inverted yield curve (not the loan product) caused many ARM loans to suddenly be categorized as subprime. The Division of Banks revised the regulatory bulletin on November 23rd, but legislative changes are needed. Specifically:

- A first-time home loan that is a Qualified Mortgage is exempt from this section.
- Removes the in-person requirement to receive counseling.

Action Needed: The MMBA STRONGLY SUPPORTS passage of H.974 and asks legislators to quickly pass this legislation to exempt Qualified Mortgages.

Funding Through Transfer Taxes

There are 12 bills before the legislature which would fund initiatives through taxes on the sale of a home. Our members are concerned with affordable housing but believe that funding these initiatives through transfer fees will create a barrier to homeownership.

We are deeply concerned about:

- **Affordability** as we are already one of the most expensive states to purchase a home.
- **Lack of consistency** across each municipality with respect to percentage of tax, responsibility of payment and exemptions.
- **Disparate impact** as municipalities may deny low-income or middle-income borrowers a transfer tax exemption.
- **Lack of clarity and confusion** to the consumers to determine the actual amount of transfer fees in a specific municipality.

Consumers and lenders trying to provide accurate closing cost calculations when each city and town has different exclusions and rates will be an impossible task.

Action Needed: The MMBA STRONGLY OPPOSES transfer taxes that will hurt affordable housing more than help. Funding affordable housing should not rest upon a small percentage of consumers that are purchasing or selling properties. This is everyone's problem and should be shared across the Commonwealth.

H.1049 - An Act Protecting Consumers' Privacy in Mortgage Applications (Financial Services Committee)

When a consumer applies for a loan, a credit report is obtained resulting in an "inquiry" appearing on the applicant's credit report showing the entity that has obtained a credit report. The also indicates the specific type of loan being applied for.

The national credit repositories (Experian, Trans Union and Equifax) can sell these inquiries [the "trigger"] that create leads [hence, "trigger leads"] to other mortgage originators. The purchasers of the trigger leads then contact the consumer, in order to convince the applicant to do business with them.

This legislation does not prevent the sale or use of trigger leads but ensures consumers receive full disclosure from anyone using trigger leads. This includes:

- **Proper identification** including the company they work for;
- Disclosing personal information from the credit bureau was **sold without consent from the lender they are working with;**
- **Must comply** with the Fair Credit Reporting Act;
- Must not be contacted if they opted out of prescreened solicitations or are on the Do Not Call List.

Action: The MMBA STRONGLY SUPPORTS H.1049 and consumer privacy

H.2727/S.1787 – First Time Home Buyers Savings Accounts (Revenue Committee)

These bills both encourage establishing savings accounts for first time home buyers.

- H.2727 establishes a new tax deduction for FTHB savings accounts for contributions towards the purchase of a single-family home. The tax deduction is limited to \$5,000 for individuals and \$10,000 for joint returns.
- S.1787 – contributions into an established savings account for rental or a single-home purchase will be exempt from taxable income.

Action Needed: The MMBA STRONGLY SUPPORTS H.2727 and S.1787 encouraging the establishment of a savings account towards the purchase of a single-family home in Massachusetts.

H.233 -An Act Improving Housing Opportunities (Community Development & Small Businesses Committee)

Access to and affordability of owner-occupied and rental housing continues to challenge communities across the country. Increasing homeownership opportunities for low/moderate income borrowers and minorities is a priority.

"We are at serious risk of seeing our residents and businesses go elsewhere to build their futures if they can't afford to stay here," Governor Maura Healey said as she pleaded for partnership with hundreds of municipal officials gathered at the Hynes Convention Center. "There are no easy solutions ... It's going to require some investments, it's going to require some give-and-take, and it's going to require a super-focused, hyper-focused intentionality around this work.

Although there are over 30 zoning bills which have been filed, the MMBA supports H.233 specifically because:

- **Zoning relief** is key to addressing the state's longstanding housing crisis. H.233 would increase the availability of by-right multifamily and open space residential development as well as accessory dwelling units (ADUs).
- **Expands the simple majority voting threshold** from the Housing Choice law to apply to variances and special permits, rather than the current two-thirds requirement.
- **Uniform site plan review standards** will help alleviate the confusing local patchwork of site plan review processes, making development easier and more cost effective. This uniformity will assist communities that lack resources to create their own standards.

The MMBA STRONGLY SUPPORTS legislation which will promote housing production.