



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 168 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

- **Shared Appreciation Mortgages**
- **Credit Trigger Leads (H.1199/H.1122)**
- **FTHB Savings Accounts**
- **Funding for Crumbling Foundations**
- **Funding Through Transfer Taxes/Affordable Housing Initiatives**

Massachusetts Mortgage Bankers Assoc.
Deborah Sousa, Executive Director
185 Devonshire Street, Suite 703
Boston, MA 02110
Phone: 617.570.9114

2025 Beacon Hill Issues

June 16, 2025

Shared Appreciation Mortgages: AN Act to Protect Equity in Real Estate Transactions H.1332/S.833)

Shared Appreciation Mortgages are sometimes offered to homeowners facing foreclosure and financial distress. Under such an agreement, a homeowner agrees to give a lender or entity a share of any increase in the value of their home. Depending on how the property value changes over time, the lender's share might exceed the balance owed on the loan. The consumer agrees to forfeit a portion of future gains, which the lender collects when the loan is repaid, either through the sale of the home or if the consumer opts to refinance the mortgage.

These bills amend Section 269 of c. 238 of the Acts of 2024 by mandated 3rd party required counseling; a cap on appreciation of 15%; and most importantly, reverses the waiver of consumer protections.

Action Needed: The MMBA STRONGLY SUPPORTS passage of H.1332/S.833 to ensure consumer protections for shared appreciation mortgages. The MMBA also STRONGLY SUPPORTS S.731/H.1145

H.1199 - An Act Protecting Consumers' Privacy in Mortgage Applications (also H.1122)

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.1199 and consumer privacy. The MMBA also STRONGLY SUPPORTS H.1122 which allows consumers to opt-out of credit trigger leads.

First Time Home Buyers Savings Accounts

(H.3192/S.2002 & H.3041)

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

- H.3192/S.2002 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.
- H.3041 – contributions into an established savings account for a single-home purchase will be exempt from taxable income.

Action Needed: The MMBA **STRONGLY SUPPORTS H.3192/S.2002 & H.3041 encouraging the establishment of a savings account towards the purchase of a single-family home or condo in Massachusetts. We would also recommend consideration to also allow a two-family property or a single-family with an ADU.**

Support Funding for Crumbling Concrete Foundations

(H.1001, H.890/S.580 & H.983/S.642)

These bills deal with problem foundations due to the presence of pyrite or pyrrhotite. These chemicals cause concrete foundations to swell, crack, and crumble—eventually leading to structural collapse. Homeowners who have this issue must raise their home and replace the foundation which is extremely cost prohibitive.

These bills would identify a state funding method, provide financial support to homeowners and working groups would make recommendations for regulatory and legislative changes to address crumbling concrete foundations.

Action: The MMBA **STRONGLY SUPPORTS H.1001, H.890/S.580 & H.983/S.642 to help homeowners with crumbling foundations.**

Funding Through Transfer Taxes

There are currently 11 bills 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.
- **Regulatory financial hardship** if closing cost disclosures provided to consumers are inaccurate.

What is the answer?

The MMBA believed that there are reasonable initiatives that can be done to create more homes and make housing more affordable:

- **Develop housing on unused state-owned land** that is currently vacant and unused.
- **MBTA Communities Law:** Ensure that MBTA communities implement the law to create new homes.
- **Strengthen the Community Preservation Act** to ensure communities are participating and using a higher percentage of CPA funding for the creation of affordable housing.

What if transfer taxes are still a viable option?

The MMBA strongly opposes transfer taxes, but if the legislators feel that this is the only viable solution then consider the following:

- The burden of paying this fee must be seller-paid and not buyer paid.
- The transfer tax must be reasonable and consistent. A minimal amount such as .25% fee and not ranges that are in current bills.
- The median sales price needs to correspond to the appropriate property type.
- Cap administrative costs to no more than 20% when establishing and maintaining an affordable housing trust fund.
- Define reasonable amount of time that a municipality has to produce affordable housing units or forfeit transfer tax revenue and the ability to assess transfer taxes.
- Exempt sellers from paying a transfer tax if they sell to a qualified first-time home buyer or low-to-moderate income borrower. Give low-to-moderate and first-time home buyers a chance to have their offers accepted instead of investor or cash sales.

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. Please consider the MMBA as a resource!