



June 3, 2022

The Honorable Karen E. Spilka  
President of the Senate  
24 Beacon Street, Room 332  
Boston, MA 02133

The Honorable Ronald Mariano  
Speaker of the House  
24 Beacon Street, Room 356  
Boston, MA 02133

RE: Reverse Mortgage Counseling Requirement allowing for video or telephone conferencing to satisfy the in-person requirement expires on **July 15, 2022**.

Dear President Spilka and Speaker Mariano,

On behalf of the Massachusetts Mortgage Bankers Association (MMBA) and our members who work with seniors and offer reverse mortgage products, we would like you to be aware of an issue impacting seniors seeking these mortgages. As of July 15, 2022 seniors will no longer have the option of choosing how he/she will obtain reverse mortgage counseling unless the temporary provision under Chapter 22 of the Acts of 2022 is extended or permanent legislation is passed (**H.1146 -An Act Expending the Use of Video and Telephone Conferencing**).

**Background:**

Per M.G.L. Chapter 167E, Section 7A, in-person counseling is a requirement for any consumer seeking a reverse mortgage. After Governor Baker declared a State of emergency on March 10, 2020, he subsequently signed into law Chapter 65 of the Acts of 2020, An Act Providing for a Moratorium on Evictions and Foreclosures during the COVID-19 Emergency (Chapter 65 or the Act) on April 20, 2020, which became effective on that date.

The Act, in SECTION 2, provides that from the effective date of the Act until the termination of the Governor's declaration of the State of Emergency, the in-person counseling requirement under M.G.L. c. 167E, s. 7A and M.G.L. c. 171, s. 65C½ can be met by synchronous, real-time video conference or telephone in lieu of the in-person requirement. In short, the Act provides that counseling for reverse mortgages may be conducted via one of the following three options: (1) in-person, (2) by synchronous, real-time video conference, or (3) by telephone. This change was in effect only from April 20, 2020 until the end of the State of Emergency on June 15<sup>th</sup>.

On June 16, 2021 Governor Baker signed into law Chapter 20 of the Acts of 2021 which further extended this provision until **December 15, 2021**.

On February 12, 2022, Governor Baker signed into law Chapter 22 of the Acts of 2022 which again extended this provision until **July 15, 2022**.

**The MMBA strongly requests that legislation is passed to allow the use of video or telephone conferencing for reverse mortgage counseling which currently expires on July 15, 2022.**

What we learned through the pandemic is that 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 respectfully request this counseling option is extended:

- Lack of capacity to handle in-person counseling: **As of July 7, 2022 there will only be 7 counselors in the entire state of Massachusetts** available to provide in-person reverse mortgage counseling.
- During the State of Emergency at least 400 counseling sessions were conducted via telephone and video.
- Family members can participate more easily in the reverse mortgage counseling when the sessions are conducted via telephone or video.
- There is a federal precedent for this. According to 12 CFR Part 1003 (Regulation C): Appendix B to Part 1003 — Form and Instructions for Data Collection on Ethnicity, Race, and Sex, **“If you accept an application through electronic media with a video component, you must treat the application as taken in person.”**
- Massachusetts is the **only** state in the country which does not allow seniors alternatives to in-person counseling.
- There are no indicators that reverse mortgage counseling received in-person versus telephone or video has a negative impact on consumers. Prior to recommending a permanent change to the reverse mortgage requirement, the MMBA did extensive research looking for any indicators that counseling received from telephone or video conference wasn't as effective as in-person counseling. We found no published evidence anywhere. Some of the reports we studied included:
  - The CFPB published a report in 2015 of reverse mortgage complaints that they have received from December 2011-December 2014. There was no reference in this report pertaining to reverse mortgage counseling complaints. [Snapshot of reverse mortgage complaints December 2011 – 2014 | Consumer Financial Protection Bureau \(consumerfinance.gov\)](#)
  - The Ohio State University published a white paper “Reverse Mortgage Motivations and Outcomes: Insights from Survey Data”. Exhibit 3 of the report details survey results about the reverse mortgage counseling experience and there was no indication that the method of counseling was a factor. [Cityscape - Volume 19 Number 1 \(huduser.gov\)](#)

- As cited in the ***Report Relative to the Necessity and Desirability of In-person vs. Telephonic Methods for Reverse Mortgage Counseling in the Commonwealth of Massachusetts***, filed with the House and Senate on December 7, 2015:
  - “The Legislature may want to consider whether it may be appropriate to authorize the Division of Banks, in consultation with the EOE, to define and develop a process to allow, in certain circumstances, a **teleconferencing option**, that would comply with the standards of an in-person counseling session.”

The non-profit Cambridge Credit Counseling Corporation provided the MMBA with survey results from seniors who utilized telephone counseling. The results clearly demonstrate telephone (and video) counseling works!

- 96% were very satisfied with the counseling they received via telephone. There were no responses of dissatisfaction.
- 100% of the responders indicated that the counselor took the time to answer their questions.
- 95% reported that the counselor asked questions to make sure the content was understood.
- 60% of the responders would have had obstacles driving to the office to receive in-person counseling.
- 70% would have needed to drive over 30 miles to receive in-person counseling.
- 86% felt that in person counseling would have made little difference in understanding.

As of **July 15, 2022**, seniors will be deprived of choosing the best option for how they will obtain reverse mortgage counseling without prompt action of passing permanent legislation allowing video and telephone conferencing. Failure to quickly act will cause harm to those who we need to protect the most.

The MMBA and our member lenders who offer reverse mortgage products work with borrowers to ensure they understand both the risks as well as the benefits of reverse mortgages. For many it is the only way of paying for home repairs or supplementing their monthly income to pay for necessities. If you or any of your committee members are interested in experiencing a reverse mortgage telephone counseling session, we would be happy to coordinate.

Thank you for your consideration of this issue. We all want to protect our seniors and ensure that they have safe access to quality counseling.

Sincerely,



Deborah J. Sousa  
Executive Director

Cc: Senator Michael Rodrigues, Chair of Senate Committee on Ways and Means  
Representative Aaron Michlewitz, Chair of House Committee on Ways and Means  
Senator Brendan Crighton, Senate Chair, Joint Committee on Financial Services  
Representative James Murphy, House Chair, Joint Committee on Financial Services  
Senator Joanne Comerford, Senate Chair, Joint Committee on COVID-19 Emergency  
Preparedness and Management  
Representative William Driscoll, Jr., House Chair, Joint Committee on COVID-19 Emergency  
Preparedness and Management  
Senator Patricia Jehlen, Senate Chair, Joint Committee on Elder Affairs  
Representative Thomas Stanley, House Chair, Joint Committee on Elder Affairs  
Commissioner Mary Gallagher, Massachusetts Division of Banks  
Secretary Elizabeth Chen, Massachusetts Executive Office of Elder Affairs (EOEA)