Connecticut Association of Mortgage Brokers
" The Voice of Mortgage Professionals

The Connecticut Association of Mortgage Brokers (CTAMB) is a professional organization that is willing to be a resource for legislators as they address issues pertaining to the mortgage industry. We strongly believe that dialogue between the state legislators and industry leaders will result in solutions that will best serve the consumer and the industry. There have been committees, subcommittees and task forces that have made recommendations as to how Connecticut's mortgage industry should operate. CTAMB has participated in many of these discussions and seeks to respectfully offer our formal positions on some of the main recommendations that have been proposed.

First and foremost, we at CTAMB would urge legislators to carefully review all recommendations to determine if their potential implementation will truly benefit the consumer. Conversely, it is imperative that regulatory impositions do not result in creating an environment that discourages credible lending institutions from operating in Connecticut, as the actions of the Massachusetts Attorney General did. While we are certain it was not the intent of the MA AG to reduce consumer choices and eliminate competition, the impulsive regulations implemented by their agency seem to have done exactly that.

There have been several proposals which CTAMB does not oppose. Those are:

1. Higher net worth requirements.
2. Increasing the Surety Bond requirement.
3. Entrance exam – Must be continually reviewed for relevance.
4. Connecticut's participation in the National Mortgage Licensing System.
5. Egregious violations resulting in loss of license rather than fines.

CTAMB's primary position in this letter regards our deep concerns in the area of continuing education. As noted, we support the development of an entrance exam for loan officers. This would ensure that the people entering the industry in this state would have an appropriate level of knowledge. We believe that we should start by implementing a testing program that works in this state and is proven to be effective before we proceed with further initiatives. In all of the conversations and meetings involving continuing education, discussions have invariably focused on how many hours should be required, but, regrettably, specific education which would benefit the consumer has not been addressed. We do not believe that the basic training of loan officers should be the goal of state mandated education.

Our position is that the more important objective is assessing and ensuring the knowledge of federal and state regulations. If an individual felt that it was in his best interest to take a course to prepare for this exam, that should be voluntary, and a privately provided preparatory course might then be in order. If he could pass the state test based on his working knowledge, then we do not believe that he should be required to take classes. The overall goal should be to ensure that loan officers and brokers know the RESPA, HOEPA and Banking Department rules. A state committee should be formed to regularly monitor and review any testing to make sure that it is relevant and up to date. We also firmly believe that testing should be equitable and applied to all originators, whether they are employed by a Mortgage Broker, Lender or a bank.

In summary, we believe that any testing should be administered by the banking department, and should be entirely self funded through revenue generated by the testing program itself. Continuing education should be about what is relevant, meaningful and in the best interest of both the consumer and the mortgage industry in the state of Connecticut. We are opposed to the continuing education proposal by private companies and organizations. We caution that continuing education can too easily evolve into an unscrupulous profit motive which does not actually benefit the consumer.

Respectfully submitted by,

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