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Legislative Update Report

Industry News

Federal Reserve Chairman Addresses Congress. In his semi-annual testimony to Congress on the economy and monetary policy, Mr. Bernanke said that short-term interest rates, now near zero, were likely to remain there for at least several more months, therefore not tightening credit. A full copy of Mr. Bernanke's speech may be found at:

<http://www.federalreserve.gov/newsevents/testimony/bernanke20100224a.htm>

Obama Administration Delays FNMA FREDDIE Reforms. The Obama administration was expected to announce plans to reform Fannie Mae and Freddie Mac in February, but Treasury Secretary Timothy Geithner says a proposal is more likely in 2011 because there needs to be more distance between an overhaul and the housing crisis. A link to an a Boston Globe article may be found at: http://www.boston.com/business/articles/2010/02/25/fannie_freddie_overhaul_to_wait/

HUD Loss Mitigation Program Webinar. On March 18, 2010, HUD will present a free webinar regarding their loss mitigation program. The webinar will cover: Imminent Default, Forbearance Agreement, 90-Day Review & Program Requirements. 1:00PM - 2:00PM Central Time. Preregistration is required. More information can be found at:

<https://www2.gotomeeting.com/register/893489867>

FFIEC Revises White Paper on Mortgage Fraud. On February 16 the Federal Financial Institutions Examination Council (FFIEC) released a white paper entitled *The Detection and Deterrence of Mortgage Fraud Against Financial Institutions: 2009 Mortgage Fraud White Paper*. The publication details numerous new and emerging mortgage fraud schemes along with the red flags associated with them and substantially revises the FFIEC's previous white paper on mortgage fraud. Although the white paper establishes no new examination policies or procedures and imposes no new requirements on regulated institutions, it is designed to serve as a field guide for examiners. A copy of the white paper may be found at: http://www.ffiec.gov/exam/Mtg_Fraud_wp_Feb2010.pdf.

HUD Extends Comment Period for SAFE Act Minimum Standards Proposal. On February 17 HUD announced it will extend the comment period for its proposal setting forth minimum standards for state laws that effect the requirements of the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act). The new comment period deadline is March 5, 2010. Among other things, the proposal seeks to clarify and interpret ambiguous or undefined terms contained in the SAFE Act, such as "engage in the business of a loan originator," "take an application," and "offering or negotiating." A copy of the notice can be found at: <http://edocket.access.gpo.gov/2010/pdf/2010-3087.pdf>.