

From: Joyce Lentz [mailto:JLentz@mountainwestbank.com]
Sent: Tuesday, July 07, 2009 6:54 PM
To: Comments
Subject: Registration of Mortgage Loan Originators

July 1, 2009

Background:

The S.A.F.E. Act enacted on July 30, 2008, mandates a nationwide licensing and/or registration system for mortgage loan originators. Specifically, the Act requires all States to provide for a licensing regime for mortgage loan originators within one year of enactment (or two years for States whose legislatures meet biennially) and prohibits an individual employed by a State-regulated institution from engaging in the business of residential mortgage loan origination without first obtaining and maintaining a license and registration and obtaining a unique identifier (State licensing).

The S.A.F.E. Act objectives of the registry is to: (1) aggregate and improve the flow of information to and between regulators; (2) provide increased accountability and tracking of mortgage loan originators; (3) enhance consumer protections; (4) reduce fraud in the residential mortgage loan origination process and (5) provide consumers with easily accessible information at no charge regarding the employment history of; the publicly adjudicated disciplinary and enforcement actions against, mortgage loan originators.

The S.A.F.E. Act specifically requires the Agencies to jointly develop and maintain a system for registering mortgage loan originators employed by Agency-regulated institutions with the Registry. In connection with this registration, the Agencies at a minimum must furnish or cause to be furnished to the Registry information concerning the mortgage loan originator's identity, including: (1) fingerprints for submission to the Federal Bureau of Investigation (FBI) and any other relevant governmental agency for a State and national criminal background check ; (2) personal history and experience, including authorization for the Registry to obtain information related to any administrative, civil, or criminal findings by any governmental jurisdiction.

Furthermore, the S.A.F.E. Act requires new enhancements to the current system, such as public access to certain mortgage loan originator data and processing of fingerprints through the Registry. These differences between the current Registry and the Federal registration system required by the S.A.F.E. Act, as well as the resulting modifications necessary to support both State licensing and Federal registration functions, require careful analysis and raise complex legal and system development issues.

To Whom It May Concern:

I'm a compliance assistant for Mountain West Bank in Boise, ID.

I acknowledge the objectives and I'm aware of the environment that prompts them. However, I'm concerned that not enough consideration has been given to the impact of the requirements and how they are going to affect the very large number of banks/institutions that already operate in a responsible and sound manner.

I'm opposed to the imposition of the requirements of the S.A.F.E. Act and the registration of our mortgage loan originators based on the following:

1. The S.A.F.E. Act requires our bank to register and fingerprint professionals who already have a sound knowledge of Regulation Z and RESPA. The S.A.F.E. Act creates an unnecessary and intrusive process that is applied to individuals with a solid track record in the mortgage lending environment.

Consider: Provide exemptions for institutions with "de minimis" or no history of or connection to mortgage origination fraud and related issues.

2. The definition of "residential mortgage loan" is broad and the "de minimis rule" is narrow. A medium size community bank, where lenders are also relationship managers, with a volume of home equity and/or second mortgage home improvement loans could result in registering a disproportionate number of lenders whose mortgage origination activities are minor.

Consider: Exemptions for institutions that could result in registering a disproportionate number of lenders whose mortgage origination activities are minor.

3. While S.A.F.E. addresses problems "not of our making" it lumps us in with weakened institutions most responsible for the problems, who continue to compete directly with us.

Consider: Focusing on banks/institutions that are the problem.

4. The personal information required to register an employee violates the department of labor regulations regarding what the employer can/can not ask staff members to provide.

This information has no value to the consumer for a mortgage loan.

Consider: That if collected by the bank from a borrower in the course of a consumer credit application, our bank would be at risk of privacy violations if it were disclosed to the public.

5. The S.A.F.E. Act will force personal to provide information passed on to an internet site that is a violation of the privacy act and the newly enacted "Identity Theft Regulation".

Consider: The risk to the banks/institutions for violating regulations already in place.

Exemptions for banks/institutions with policies and procedures that

already adequately address employee integrity.

Thank you for the opportunity to comment.

Sincerely,

Joyce Lentz
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Mountain West Bank