



VMLA ADVOCACY SUCCESSES

Ralph L. "Bill" Axselle, Jr. and Katie Payne of Williams Mullen, are government advocates for the Virginia Mortgage Lenders Association. They monitor all legislative, executive and regulatory action in Virginia for issues of importance to the VMLA.

Legislative

- **Foreclosure:** Over the last few years, numerous bills have been considered by the Virginia General Assembly to regulate the foreclosure process. These bills were largely a knee-jerk reaction to the rising rate of foreclosures in the Commonwealth and across the US. These bills took several forms, including:
 - Bills which provided that trustees could not sell property unless the land records contained a duly recorded assignment to the holder of the obligation;
 - Bills which created a civil cause of action against anyone who wrongfully asserts that he is the holder of the obligation secured by a deed of trust or mortgage who initiates a foreclosure proceeding;
 - Bills which prohibited a mortgage lender or servicer from initiating a foreclosure before submitting an application to modify the terms of a loan or before the borrower has defaulted under the terms of the modification; and
 - Bills which made anyone who knowingly makes or uses a false record, document or statement in support of a foreclosure liable to the injured party.

The VMLA and its lobbyists have worked hard to stave off such reactionary legislation, and their efforts have paid off. No bills promoting further regulation over the foreclosure process have passed in the last several years.

- **Promoting consistency between federal regulations (such as the SAFE Act) and state law:**
 - **HB 123 (D. Marshall):** Deletes the requirement that a residential mortgage lender's or broker's disclosure statement state that all the loan terms not legally locked in are subject to change until settlement and qualifies the requirement to describe when the interest, points, and fees will be locked in to those loans for which such terms will be locked in. The measure will conform disclosure statement requirements to a federal rule that, effective October 3, 2015, requires that closing disclosures that reflect the actual loan terms be provided to the consumer no later than three business days before consummation of the loan.
 - **HB 124 (D. Marshall):** Provides that mortgage company and branch licenses issued by the State Corporation Commission expire at the end of each calendar year, unless renewed. The measure provides a process for license renewals and the reinstatement of a mortgage lender or mortgage broker whose license has expired. The measure also replaces the annual reporting requirement with a requirement that licensees file periodic reports with the Commissioner of Financial Institutions or the Nationwide Mortgage Licensing System and Registry.
 - **HB 125 (D. Marshall):** Authorizes the State Corporation Commission (SCC) to issue an inactive mortgage loan originator license to an individual who has satisfied all requirements for licensure except those pertaining to his surety bond. Similarly, the measure authorizes the SCC to renew, on an inactive basis, the mortgage loan originator license of an individual who has satisfied all requirements for license renewal except those pertaining to his surety bond. A licensee with an inactive license is prohibited from engaging in the business of a mortgage loan originator until the SCC determines that the bonding requirements have been satisfied and has updated his status in the Nationwide Mortgage Licensing System and Registry.
- **Virginia Housing Commission:**
 - Monitoring all meetings of the Virginia Housing Commission, where housing-related legislative proposals are vetted. Williams Mullen holds a seat on the Affordable Housing, Real Estate Law and Mortgages workgroup of the Commission.

Executive

In 2010, Governor McDonnell created The Virginia Foreclosure Taskforce, which has been meeting regularly for the past four years. The VMLA and its lobbyists were very active within the Taskforce, and were pleased when it decided NOT to recommend any further legislative action on the foreclosures.

Regulatory

The VMLA and its lobbyists have worked closely with the State Corporation Commission's Bureau of Financial Institutions to ensure that any proposed regulatory actions are agreeable to the VMLA.