

MBA NewsLink



Volume 4 | Issue 235 | Thursday, December 08, 2005

Top National News

[House Passes Extension of Terror Insurance](#) (Washington Post)
[A Servicing Response to Margin Pain](#) (American Banker)
[Greenspan, In Letter, Opposes a Single Measure to Set Rates](#) (New York Times)
[Mortgages Rise on Refinancings](#) (Investor's Business Daily)
[Freddie Mac Offers More for REIT Stock](#) (Washington Post)
[The Great Default](#) (Washington Post)



Residential Finance News

[Interest-Only Loans Nearly One Quarter of Dollar Volume](#)
[Push on to Standardize eRecording, eNotarization](#)

Commercial/Multifamily Finance News

[C&I Lenders Forecast Half Point Rate Hike, Survey Says](#)
[MISMO Announces Draft Data Dictionary](#)
[DealMaker of the Day](#)

MBA News

[CampusMBA Hosts Dec. 20 Appraisal Reform Audio Program](#)
[Earn Your CMB](#)

Spotlight: Commercial/Multifamily

[House Clears TRIA Extension Through 2007](#)

Top National News

House Passes Extension of Terror Insurance

Washington Post (12/08/05) P. D2; Crenshaw, Albert B. On Wednesday, the **House** voted **371 to 49** in favor of legislation under which the federal government would continue to provide a **financial backstop** to insurers should another **terrorist attack** hit the United States. The **White House**, though, strongly supports the **Senate** bill--a more restrictive measure that also would extend the **2002 Terrorism Risk Insurance Act** for two more years. Those legislators backing the House bill contend it makes for a more seamless transition

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Current week's activity by type from MBA Mortgage Application Survey, week ending December 02, 2005

Dollar Volume of Loans (pct.)

	Total	Conventional	FHA and VA
Refinancing	42.2	42.6	34.8
ARMS	48.3	49.3	25.7
7- and 5-year balloons	0.3	0.3	N/A

N/A - Not available.

Source: Mortgage Bankers Association.

Quote Link

"At a time when the nation is at war and acts of terrorism within our borders remain a real threat, the renewal of TRIA is crucial to maintaining the smooth operation of the commercial real estate finance market. MBA strongly supports legislative action to extend TRIA. We look forward to continuing our work with Congress so that final TRIA legislation can be presented to the President for signature before the end of the year."

--**Kurt Pfothenauer**, MBA's senior vice president of government affairs, on House passage of legislation yesterday extending the **Terrorism Risk Insurance Act**.

However, there were more fixed rate loan originations than ARM originations, 52 percent versus 48 percent.

The ***Midyear 2005 Mortgage Originations Survey*** covers mortgage origination activity during the first and second quarters of 2005. This survey collects detailed information on first-lien and second-lien originations for single family properties. New information collected in this survey effort includes origination data on option ARMs, interest-only adjustable and fixed breakouts, occupancy status (including second home and investment property information) and agency eligibility.

Please contact **Mike Cevarr** at mcevarr@mortgagebankers.org for more information on the ***Midyear 2005 Mortgage Originations Survey***.

([Back To Top](#))

Push on to Standardize eRecording, eNotarization

MBA (12/8/2005) McAfee, Jamie

The movement toward the **eMortgage** has driven development of **eRecording** and **eNotarization**. However, as of yet there are no eRecording and eNotarization standards at the state level.

In an effort to build on the **Uniform Electronic Transaction Act (UETA)** and the **Electronic Signatures in Global and National Commerce Act (ESIGN)**, **National Conference of Commissioners on Uniform State Laws** has proposed the **Uniform Real Property Electronic Recording Act (URPERA)**. The proposal would ostensibly clear up confusion and uncertainty surrounding the roles of UETA and ESIGN in the state's recording functions.

Nearly 48 jurisdictions have passed UETA and more than 30 states have passed UETA with three optional sections that provide authority to state and local governments to enable **eFiling**; to set standards for the creation and retention of electronic records; the acceptance of electronic records and electronic signatures; and to ensure interoperability among local and state agencies and with constituents in private arena, according to **Carmelo Bramante**, principal with **CDB Consultancy**, Washington, D.C..

ESIGN ensures that contracts entered into electronically will be legally effective and valid, and that consumers who enter into contracts electronically have the same protections they have when contracting in the "brick and mortar" world. ESIGN supersedes a state that does not implement UETA. UETA and ESIGN overlap and are companions to each other. ESIGN is a little unclear, Bramante said.

The basic goal of the URPERA is to create legislation authorizing land records officials to begin accepting records in electronic form, storing electronic records, and setting up systems for searching for and retrieving these land records. The intent is only to authorize such activities, not to mandate them.

"NCCUSL drafted the URPERA because, of some confusion and uncertainty around some states not including 17, 18, 19 in their passage of UETA. URPERA essentially operates like UETA it gives county recorders authority to accept electronic records and electronic signatures," Bramante said. "It also clears up the issue of originality, which is covered under UETA. It also addresses on another issue, the issue of the stamp and seal requirement by notaries. UETA and ESIGN language never specifically addressed and legislative language that the notary when applying his or her signature did not need to affix a stamp or his or her notary seal or embossed seal. URPERA specifically addresses

that the notary is not required to affix his or her stamp.”

There is debate within the industry, asking if a notary is supposed to validate that someone is who he or she say they are—their established purpose—versus providing a form of security to a transaction. Since states require notarization many questions are raised: What is a notary? What is the notary of tomorrow? What does notarization mean?

Under Section 5 of URPERA, that mandates that a statewide body develop data standards and other standards that are needed for electronic recording. “I think that is the most important part of URPERA because it takes what national standard setting bodies have done such as **MISMO** [Mortgage Industry Standards Maintenance Organization] and **PRIA** [Property Records Industry Association] and said to the statewide body look to MISMO for your basic data set and then add or expand any additional data that may be needed at the state and local level,” Bramante said.

“One school of thought is that the notary would carry a credential,” said **Gabe Minton**, vice president of industry technology with the **Mortgage Bankers Association**. “Our recommendation, if you are a notary, if you’re going to have a credential—why not have a standardized credential?”

There several issues affecting eNotary. “Each state wants to include the notary because that’s what they have done in the paper world. However, they are not exactly sure how and the eRecording legislation as adopted by the states is what references notarizations at the state level and sets the precedence for that state,” Minton said

Since the states have control over the records, companies are going to have to deal with each state. “What we are hoping is that we don’t have 50 ways of doing recording in the future,” Minton said. “The URPERA is the uniform legislation that we are trying to get the state legislatures to adopt.”

For more information surrounding the issues of eRecording and eNotarization, visit PRIA’s web site at <http://www.pria.us> or NCCUSL’s web site at <http://www.nccusl.org>.
([Back To Top](#))



Commercial/Multifamily Finance News

C&I Lenders Forecast Half Point Rate Hike, Survey Says

MBA (12/8/2005) Murray, Michael

Nearly all lenders expect the **Federal Reserve Board** to raise rates in the coming six months, with 65 percent predicting a half-point hike. The majority of lenders plan to maintain their interest rate spread and fee structures on similar credit quality loans, according to the results of this quarter’s **Phoenix Management Services** “*Lending Climate in America*” survey.