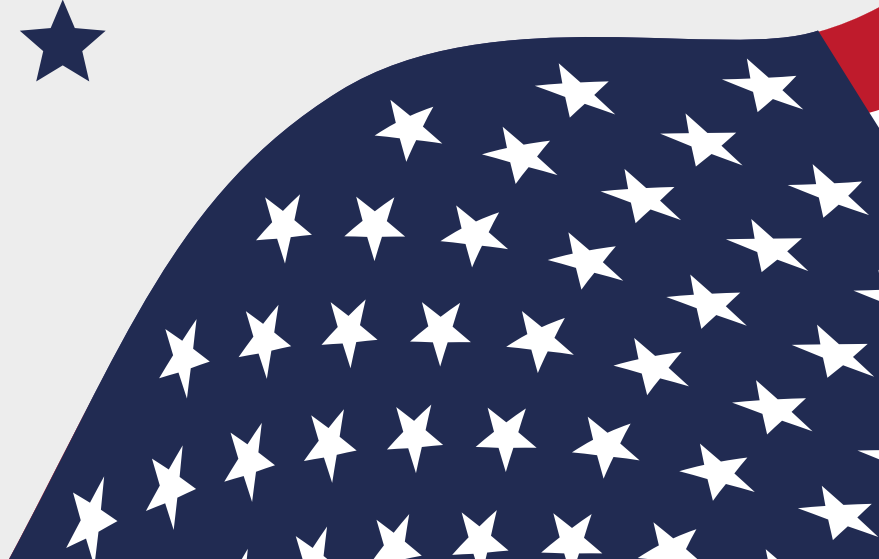




**NAMBA**



**POLICY PRIORITIES**  
**2023**





# THE VOICE OF THE MORTGAGE INDUSTRY SINCE 1973

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The National Association of Mortgage Brokers has been the voice of the mortgage industry representing the interests of mortgage professionals and homebuyers since 1973. NAMB provides mortgage professionals with advocacy, education, and rigorous certification programs to recognize members with the highest levels of professional knowledge and education. NAMB's active lobbying and advocacy efforts focus on national and state issues, protecting the interests of its members and borrowers. As the leading national trade association for the mortgage industry, NAMB is affiliated with State Associations throughout the country and represents the interests of more than 993,000 licensed and registered Mortgage Loan Originators and 68,000 licensed Mortgage Broker and Mortgage Lender businesses. The Association hosts several meetings throughout the year.





# TRIGGER LEADS PROHIBITION

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When a consumer applies for a mortgage, whether a purchase or refinance transaction, the credit inquiry generated by the mortgage company is a trigger that notifies credit bureaus that the consumer is interested in applying for financing. This "trigger lead" is then sold by credit bureaus to data brokers including competing mortgage companies without the consumer's knowledge or approval. Consumers may then be contacted by these competing companies who have purchased the "trigger leads." This often creates confusion for borrowers and may prompt them to send personal information they may not have otherwise. Many trigger lead subscribers who purchase consumer data such as name, address, and FICO score ranges are unlikely prepared to offer a mortgage because they lack other vital information to do so. They simply want to engage the consumer or refer them to lenders who pay them for connections.

NAMB believes that the act of applying for a mortgage should not be made public. In the era of dark web information being sold and numerous leaks and breaches of databases, the consumer needs to be given more control over their personal information. NAMB believes contacting consumers during the complex mortgage process could be harmful and confusing and opens the possibility of fraud and unfair and deceptive practices.





# EXPAND SMALL CREDITOR DEFINITION UNDER QM RULE

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Under the Qualified Mortgage Rule, small business mortgage brokers are treated in the same manner as large multi-billion-dollar depository and non-depository institutions and mortgage companies who lend their own money and service their own originations. By treating the small business mortgage broker as a large business, the consumer and, in particular, the low- to moderate-income borrower has fewer options for financing.

This definitional error occurred while formulating the Qualified Mortgage definitions of the Wall Street Reform and Consumer Protection Act of 2009 (H.R. 4173) and remains unaddressed causing unintended consequences for consumers by removing competition.

In addition, this exclusion, and the subsequent rules issued by the CFPB, create a disparate impact on low-loan amount borrowers. This unintentional discriminatory practice occurs when these specific borrowers are forced to obtain higher-priced loans than otherwise could have been acquired in the market because of a lack of consumer choice.





# PROTECTING HOMEOWNERS FROM CATASTROPHIC FLOOD LOSSES

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The National Flood Insurance Program (NFIP) insures approximately 4.9 million policyholders in nearly 22,600 participating communities. Largely solvent for most of its history, the NFIP today is about \$20.5 billion in debt as the result of large-scale disasters.

Congress last reauthorized the NFIP on a long-term basis in 2012. Since then, the program has been temporarily extended nearly 20 times, reflecting an inability to fashion bipartisan approaches to reforming the program. NAMB supports a full reauthorization of the NFIP including provisions that allow for the most affordable rates and effective coverage. There are a number of reform proposals pending in Congress that NAMB is supportive of. In the absence of a consensus on these measures, NAMB calls on Congress to adopt a bill that creates a 5-year pilot program of a means-tested voucher program where the federal government would provide direct assistance to pay flood insurance premiums for those that meet certain income requirements.

The measure would create a short-term direct NFIP premium assistance program within HUD to provide more immediate assistance (while a permanent voucher program is being considered) to those who have seen significant increases in their premiums due to Risk-Rating 2.0. NAMB believes this provision would address the continuous coverage issue that would penalize policyholders from moving between the NFIP and the private market and has resulted in unfair increases in premiums.





# ENHANCED BENEFITS FOR GOLD STAR SPOUSES

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Following the loss of their service members, Gold Star spouses often face difficulties ranging from the change to single incomes to access to housing benefits. The Department of Defense and Department of Veteran Affairs provide various benefits to assist with those hardships. However, many of those benefits are forfeited once a surviving spouse remarries before age 57, or in some cases, age 55.

NAMB supports legislation that would restore non-monetary survivor benefits to the remarried spouses of fallen U.S. service members. This legislation applies to surviving spouses who are eligible for the Gold Star Lapel Button without regard for whether they have remarried. NAMB supports legislation that specifically reinstates eligibility for the federal noncompetitive hiring appointment, access to commissaries, Morale, Welfare, and Recreation retail facilities, restoration of access to pre-transitional TRICARE services for the traditional three-year period, and eligibility for the Veteran Affairs-guaranteed home loan benefit if the survivor is unable to qualify based on his or her own service.





# PROTECTING THE RIGHTS OF VETERANS UTILIZING VA HOME LOANS

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No VA-approved lender may discriminate against a buyer. This includes situations where the VA loan applicant is temporarily disabled, pregnant or falls into another category that affects the borrower's income temporarily but does not affect the overall employment status or viability of the borrower as a good credit risk. Correspondently, no seller can refuse to offer a property on a discriminatory basis—the seller is required to comply with Fair Housing Act laws.

Unfortunately, NAMB has discovered that increasingly sellers are being encouraged not to sell to veterans who are utilizing VA mortgage loans because of the enhanced standards these loans contain. Many of our members have encountered situations where veterans are encouraged to seek conventional mortgages with less protection or risk not getting a property for which they are fully qualified to purchase. These decisions are simply driven by a desire to not deal with VA home loans and sadly often go unreported.

NAMB supports a federal investigation into these discriminatory practices. Despite the laws in place to protect veterans, they are losing out on their dreams of homeownership or forced into more expensive loans.

