2024 POLICY PRIORITIES

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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'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 throughout the US.

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Consumer Protection Against Trigger Leads

When a consumer applies for a mortgage, either a purchase or refinance transaction, the credit inquiry generated by a 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.

A solution to this consumer exposure to possible fraud and deceptive practices is to ban trigger leads: if the consumer wants to (continue) to shop for a mortgage...or other product or service, because these trigger leads also happen with insurance...they will undertake such efforts themselves.

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Legislative Changes Needed to Expand Small Creditor Definition under QM Rule

Small business mortgage broker businesses are treated, under the Qualified Mortgage Rule, in the same manner as large multi-billion-dollar depository and non-depository banking and mortgage companies who lend their own money and service their own originations. By treating the small business mortgage broker as a large business, they are not afforded the opportunity to broker loan transactions to the low- and moderate-income borrower due to the Qualified Mortgage three-percent points and fee cap.

A definitional error that occurred while formulating the Qualified Mortgage definitions of the Wall Street Reform and Consumer Protection Act of 2009 (H.R. 4173) remains unaddressed. This error has caused unintended consequences for low- and moderate-income consumers by removing competition. Importantly, the 3% QM Rule definitional error creates a disparate impact on low- and moderate-income borrowers, placing them in higher rate loans than they could otherwise qualify. Specifically, this provision negatively impacts loans in the $100,000 to $200,000 range because brokered mortgages must count excessive numbers of mortgage loan related items within the 3% cap.

This definitional anomaly, and the subsequent rules issued by the CFPB, create a disparate impact on low- loan amount borrowers. This unintended consequence occurs where these specific borrowers are forced to obtain higher-priced loans than otherwise could be acquired in the market because of a lack of natural competition. Mortgage brokers operate in inner city areas where many banks do not have bricks-and-mortar buildings. Currently, the rules make such business operations even more unfeasible. In many cases a mortgage broker is the only source of expertise on mortgage lending available to these consumers. Pricing their services out of the reach of low- to moderate-income consumers only makes the home buying experience more difficult for these communities.

NAMB supports removing from the 3% cap on mortgage broker company payments that are already included in the rate set by the lender/creditor. Commission payments to the loan originator will continue to be counted in the 3% cap.

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Protecting Homeowners from Catastrophic Losses Caused by Floods

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, the result of such large-scale disasters as Hurricane Katrina in 2005, Hurricane Sandy in 2012, and Hurricane Harvey in 2017. 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 we are supportive of. In the absence of a consensus on these measures, we call 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 be used 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. We believe 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.

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Enhanced Benefits for Gold Star Spouses

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. We support 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.

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Protecting the Rights of Veterans Utilizing VA Home Loans

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. Correspondingly, no seller can refuse to offer a property on a discriminatory basis–the seller is required to comply with Fair Housing Act laws. According to the VA official site, part of the VA mission is to "ensure that all veterans are given an equal opportunity to buy homes with VA assistance, without regard to their race, color, religion, sex, handicap, familial status or national origin."

Unfortunately, we have 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 expnsive loans.