

Mortgage Lending Committee
 Meeting of October 23, 2018

Draft Minutes

Attendees:

LaQuisa	Burke	MHP
Jackie	Cooper	Financial Education Associates
Maureen	Flynn	City of Boston, DND
Aida	Franquiz	Boston Private Bank & Trust
Kelly	Guenther	Framework
Avi	Glaser	Community Teamwork Inc.
Beyazmin	Jimenez	CHAPA
Christine	McCrorey	Boston Home Center
Michelle	Meiser	Cambridge Trust
	Morris-	
Emily	Litonujua	ESAC
Gonzalo	Puigbo	Peoples United
Jon	Seward	MA Association of Housing Coop
Elliot	Schmiedl	MHP
Regan	St. Pierre	MCBC
Phone:		
Tom	Callahan	MAHA
Janelle	Hardiman	State, Division of Banks
Renee	Owens	Blue Hills Bank
Jon	Skarin	MassBankers
Irene	Weydt	State, Division of Banks

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The meeting began at 9:00 a.m. at Massachusetts Housing Partnership, 160 Federal Street, Boston and was chaired by Elliot and Gonzalo.

1. Approval of the Meeting Minutes from September 11^h, 2018.
 Motion to approve minutes from September 11th was made and seconded.
2. Updates and Announcements
 Regan shared that Gonzalo Puigbo had volunteered to co-chair the Mortgage Lending Committee (MLC). His nomination had been shared and approved by the MCBC Board at the last Board meeting. Gonzalo introduced himself and his work at People’s United to the MLC.

Meeting dates for 2019 were shared with the MLC. It was announced that Gonzalo will host MLC meetings in Worcester, in addition to the MHP meeting location, to expand the geographic reach of committee. Regan will float between the Worcester and Boston locations for meeting attendance.

An update was solicited about the Greater Lawrence Disaster Relief Fund and associated efforts to providing housing and services to affected families. The MLC meeting presentation has links with more information to resources.

It was noted that the OCC issued an Advance Notice of Proposed Rulemaking (“ANPR”) on August 28th. Public comments are due November 19th. While the ANPR was issued solely by the OCC, public comments are expected to be reviewed by the FDIC and Federal Reserve Bank of Boston. Focus is on: 1/ how bank CRA activity is measured; 2/ harmonization of CRA supervision; 3/ distribution of CRA geographic assessment areas; 4/ the regulatory review and examination process. It was noted that The Boston City Council filed a non-binding resolution in support of CRA modernization and a vote was anticipated to be taken 10/24 or at an upcoming meeting. Maureen asked what organizations were planning to respond to the public comment: MAHA, MHP and CHAPA anticipated filing public comments. NCRC’s TreasureCRA campaign as well as the response efforts of the National Housing Conference were discussed. Regan noted 1/ most of the larger banks under the OCC are expected to comment as well as the small and regional banks that are under FDIC and Federal Reserve Bank supervision; 2/ MCBC Board of Directors formed a working group and anticipates filing a public comment letter. A question was asked about how long after the closing of the ANPR a Proposed Rule would be issued. It was noted that there is nothing by statute requiring the timeline within which the Proposed Rule would need to be issued. While there is no guarantee, there is the possibility that a joint Proposed Rule would be issued by the OCC and one or both of the other federal regulators.

3. Changing Patterns XXV Report and Mortgage Lending Forum Update

Jim Campen has completed the draft of the Changing Patterns XXV report. The report was reviewed by the MCBC Advisory Committee. The report is expected to be completed by the end of the month and will then go into production. The Forum will be held December 4th from 1-3pm at the NonProfit Center; the Forum will replace the December 4th meeting of the MLC. Speakers will include Jim Campen speaking about the report, Elliot Schmiedl will speak about MHP’s ONE Mortgage, someone from the Federal Reserve Bank of Boston’s issue paper on debt conditions in Massachusetts, and a representative from Essent Guaranty, a mortgage insurance company, to speak about national homebuyer trends. Committee members requested diversity in the gender and racial representation of speakers and panelists. Committee members discussed the need for Essent to focus their data on trends in Massachusetts and first-time homebuyers from underserved communities in addition to providing national trends.

MLC reviewed the breakout session takeaways from the CPXXIV forum. Breakout sessions from the CPXXV forum will drive MLC meeting discussions, speakers and committee work in 2019. Breakout session topic suggestions included: mortgage lending compensation structure influence on community lending product promotion, foreclosure prevention, 5-20 unit housing production (does homeownership have a role? scalable single family), shared equity programs, downpayment assistance programs, and current credit standards for mortgage underwriting.

It was decided that there would be no more than three focused 15-minute breakout sessions and attendees would be asked to participate in all three sessions. After much discussion, it was decided that there should be three breakout sessions focused on:

- 1) Homeownership production: mortgage lending trends and production tools
 - Changing Patterns XXV report findings
 - What are banks, municipalities and community organizations doing to create homeownership opportunities?
 - Shared equity programs- pros and cons; should they run with the people (mortgages) or the land (deed restrictions and covenants)?
 - Utilizing CPA funds for downpayment assistance programs

- 5-20 unit housing production is conducive to homeownership, but what financing works best? FHA? Fannie Mae? City, state, and federal programs?
 - Loan modifications and foreclosure prevention
- 2) Mortgage lending underwriting trends and current debt conditions
- Are credit underwriting standards loosening? Loosening too much?
 - Current underwriting standards and recent trends – credit scores (removal of judgments), DTI ratios, income treatment
 - Ultra FICO – FICO looking into transactions from checking account. It is generally expected to increase credit scores by 17 points or so on average for those who have borderline credit scores and for those who lack of credit by using bank account information as a way to boost the score. Questions include: Where are they getting the data? What are the fees associated with it? Is it more advantageous to a re-score or credit appeal process?
- 3) Mortgage lending incentives and outreach initiatives
- How are homebuying and mortgage loan decisions influenced by real estate agents, social media, intergenerational wealth?
 - Where do first time homebuyers get their information?
 - How do compensation structures of loan programs and real estate agents impact lending trends?
 - What are some of the downpayment assistance programs available?

The meeting adjourned at 11:00 AM.

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