

California Association of Mortgage Brokers



TO: The Honorable Pedro Nava, California State Assembly
FROM: Ed Smith, Jr., Vice President of Government Affairs & Industry Relations
Ken Jones, Co-Chair, Government Affairs Committee
SUBJECT: AB 764 (Nava)
POSITION: **Support with Amendments**
DATE: April 8, 2009

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On behalf of the California Association of Mortgage Brokers (CAMB), we respectfully support AB 764 (Nava), with the following offered amendment.

CAMB is a nonprofit professional trade association consisting of licensed real estate brokers, salespersons, and affiliated lenders whose primary business is assisting consumers in obtaining residential and commercial real estate financing. Mortgage brokers originate the majority of all residential mortgages in California. CAMB Members subscribe to a Code of Best Practices and Ethics, pledging to uphold the highest standards of professional conduct, honesty and integrity, and to full compliance with applicable laws. CAMB supports AB 764 with amendments.

CAMB Chapters

Central Coast

Central Valley

East Bay

Inland Empire

Los Angeles Metro

Greater Monterey Bay Area

North Bay

North Central Coast

North Los Angeles County

Greater Northstate

Orange County

Greater Sacramento Area

San Diego

San Diego North County

San Francisco Peninsula

San Gabriel Valley

San Joaquin

Silicon Valley

Southern Los Angeles County

Currently, too many ill-trained, unlicensed entities are collecting substantial sums by indicating their involvement in the loan modification process will help consumers save their homes. This is often done under the guise of “attorney” related services. CAMB feels strongly that these sham industries should be scrutinized and exposed where they exist under the licensing/enforcement radar. CAMB believes AB 764 is a good first step in this direction.

AB 764 contains essential language that will help insure that rouge mortgage originators do not employ advertising that implies they are endorsed by a governmental agency when they are not. The proposed legislation also strengthens current laws by making it clear that offering loan modification services requires a real estate broker’s license. However, CAMB believes the bill would be improved by allowing the collection of reasonable advance fees by licensed real estate brokers who have both modification and advance fee agreements on file with the California Department of Real Estate.

A consumer should have the option of employing a licensed broker to represent them in the often complex and time consuming process of untangling and meeting the ever evolving lender guidelines for loan modifications. Some consumers are well suited to present their own cases while others either prefer not to or need some assistance. CAMB believes the availability of these constructive, value added professional services will be chilled if advance fees are absolutely prohibited.

CAMB supports AB 764 but feels the bill can be improved by implementing the above suggested change.

We appreciate your consideration of our suggestions.

cc: Aaron Read, Aaron Read & Associates
Robyn Black, Aaron Read & Associates

The California Association of Mortgage Brokers promotes the highest standards of professional and ethical conduct, among which are expert knowledge, accountability, fair dealing, and service to our clients and our community.

