

California Association of Mortgage Brokers



TO: The Honorable Lois Wolk, California State Senate
FROM: Ed Smith, Jr., Vice President of Government Affairs & Industry Relations
Ken Jones, Co-Chair, Government Affairs Committee
SUBJECT: SB 660 (Wolk)
POSITION: **Neutral**
DATE: June 25, 2009

950 Glenn Drive

Suite 150

Folsom, CA 95630

(916) 448-8236

fax (916) 448-8237

www.cambweb.org

info@cambweb.org

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

**On behalf of the California Association of Mortgage Brokers (CAMB),
after review we respectfully remain neutral on SB 660 (Wolk).**

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. Upon review, CAMB remains neutral on SB 660 as amended.

Under SB 660, any lender, broker, person, or entity who recommends the purchase of a reverse mortgage in anticipation of financial gain owes the prospective borrower a duty of honesty, good faith, and fair dealing. CAMB supports SB 660 and its author's goal to protect borrowers and their relatives from fraudulent or incompetent reverse mortgage providers. However, the duties listed above appear to simply restate the implied duty or covenant of good faith and fair dealing that is already a well-established part of contract law. Without clarification why such covenant needs to be codified or restated, CAMB must remain neutral.

CAMB remains neutral on SB 660 as amended for the reasons outlined above.

We appreciate your consideration of our suggestions.

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