

California Association of Mortgage Brokers



TO: The Honorable Ron S. Calderon, California State Senate
FROM: Ed Smith, Jr., Vice President of Government Affairs & Industry Relations
Ken Jones, Co-Chair, Government Affairs Committee
SUBJECT: SB 94 (Calderon)
POSITION: Support with Amendments
DATE: March 27, 2009

950 Glenn Drive
Suite 150

Folsom, CA 95630

(916) 448-8236

fax (916) 448-8237

www.cambweb.org

info@cambweb.org

On behalf of the California Association of Mortgage Brokers (CAMB), we respectfully support SB 94 (Calderon), with the following offered amendments.

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 SB 94 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

Under current law, loan modifications are arguably included in those activities that require a real estate broker's license. If performed under that license, advance fees cannot be collected by a broker unless the Commissioner of the Department of Real Estate has issued a no objection ruling to an advance fee agreement submitted by the broker. In its current form, SB 94 would change this law, and prevent Real Estate Licensee's from collecting an advance fee for loan modification services under any circumstance. Furthermore, SB 94 does not clarify that all persons providing modification services must be licensed.

CAMB urges SB 94:

- Indicate that performing loan modification services requires a California Department of Real Estate broker's license;
- Allow advance fees only when in possession of an advance fee agreement that has been reviewed by the Commissioner of the Department of Real Estate.

Currently, too many ill-trained, unlicensed entities are collecting substantial sums by indicating their involvement 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 when they exist under the licensing radar. However, CAMB believes the regulations currently in place, if clarified and strictly enforced, lead to the availability of real, value added modification services when consumers find such in their best interest.

CAMB supports SB 94 and feels the bill can be improved by implementing the above suggested changes.

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.

