

Mortgage Bankers Association of Northwest Ohio

December 2002 Newsletter



A Winter's Scene at BlueBell Island

Grand Rapids, Ohio

President's Letter

Elizabeth Kollar - Fifth Third Bank - Elizabeth.kollar@53.com

Updated: December, 2002

It is hard to believe that we are in the closing of yet another year, the final quarter of 2002. And what an eventful year it has been!

The first quarter of 2002 had definite "spillage" from the high mortgage volume of the last quarter of 2001. The beginning of the second quarter actually brought the panic talk of worrying over where our business was going to come from next. We, along with the rest of the nation, had begun the healing process from the events of 9-11-2001. It showed in both our personal and professional focus, which had changed dramatically. How could it not?

Then it happened....again! The rates began to go south and once again we have found ourselves in the longest running refinance boom, probably ever! To make certain that none of us got too settled in the rhythm of our business we have to add to the equation of chaos one of the most serious pieces of legislation that has challenged our industry. The Local Municipality Predatory Lending Ordinance, in Laymen 's terms, local Lending Regulation. November 5th, Election Day, the Toledo City Council passed a predatory lending ordinance for the City of Toledo. The actual ordinance is posted on the MBA/NWO website MESSAGE BOARD for your review.

I bring this to your attention so that you may take the time to review and understand how this affects you as a lender. Also included in this Newsletter is a letter from your board of directors to the Toledo City Council. We stated our position, in writing, relative to this ordinance. This takes on a much greater size when you realize that each "little city" that passes this type ordinance affects all lenders across nation. You will find reference to the state OMBA correspondence to the City Council as well.

There have been many, some past members, some current members and some who have never been a member, who believe the value of the mortgage banker's association has played itself out. I would have to take issue with those thoughts. The predatory lending issue is a prime example of why we all need our association. Look at the combined talent, years of experience and education and pooled resources that are made available due largely in part to our affiliation with each other and the state OMBA. The predatory lending issues will be only one of many challenges that our industry will face over the years. It certainly warrants our attention today. Each of us **should** understand how this legislation affects our day-to-day business practices, how it affects our work force and certainly our customers.

I challenge each of you to take the time to review the information provided to you by the MBA relative to the predatory lending ordinance. I also challenge each of you to attend our meetings, join a committee and get involved with the industry that feeds your families and supports your communities.

Meeting Review

Bob Pinkston - Credit Bureau of Toledo - bpinkst@cbc-companies.com

Updated: December, 2002

September Membership Meeting

The September 17th meeting was held at the McMaster Center of the Toledo Public Library in downtown Toledo to introduce MBA members to the new association website. Approximately 30 members were in attendance and viewed a presentation that explained the various Pages that have been created on the Website:

www.mbanwo.com.

Jim Nassar also briefed members in attendance as to the status of the City of Toledo Predator Lending Ordinance and provided literature on the legislation.

October Membership Meeting

The October 22nd meeting was held at Madison's on Main in Sylvania, which is owned by former MBA/NWO President Jack Howard of Erie West Mortgage. Our speaker for the evening was Tiffany Zinn, Director of the Northwest Ohio Development Agency, who explained the functions of the organization and their services to community. Approximately 35 MBA members and guests attended.

Once again, the City of Toledo Predator Lending Ordinance was a "hot" topic and MBA members were provided a copy of the ordinance, along with a copy of a letter sent to each City Council member by your association Officers and Board of Directors, stating opposition to the legislative approach and urging each member to reject the ordinance. A copy of the letter is posted on the MESSAGE BOARD at: www.mbanwo.com.

November Membership Meeting

The November 19th meeting was held at the Boardroom Restaurant in downtown Toledo. Approximately 40 MBA members heard a presentation on Identity Theft by Kurt Lykins, Vice President of Technology, Corporate One Federal Union in Columbus, Ohio. Mr. Lykins provided a very interesting review of Identity Theft cases, which plague not only our respective companies, but also each of us as individuals. An interesting statistic mentioned during his talk, was that in over 20% of ID Theft cases, the perpetrator is known by the victim. Protect yourself and your family, by protecting your personal records. Personal shredders are a fairly inexpensive fraud prevention tool.

The Predator Lending ordinance in Toledo was passed by city council on November 5 and the compliance date is scheduled for February. Plans were announced to hold a Predator Lending Compliance seminar in the coming months, facilitated in conjunction with the City of Toledo legal department, city council, MBA members and the Ohio Mortgage Brokers Association.

Mortgage Bankers Association of Northwest Ohio

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OFFICERS

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Fifth Third Bank

Robert Pinkston
Vice President
Credit Bureau of Toledo

Ronald Patton
Secretary
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Michael Kajfasz
Treasurer
Northwest Title Agency

DIRECTORS

Stephen Finch
Ohio Savings Bank

James Nassar
CU Members Mortgage

David Potter
National City Mortgage

Brian Sutter
Port Lawrence Title & Trust

Terry Wymer
Sky Bank

October 15, 2002

To the Members of Toledo City Council

Abusive and unfair lending practices adversely affect our community, state and country. The Mortgage Bankers Association of Northwest Ohio strongly opposes predatory lenders and their practices.

Even though our association strongly opposes predatory lending practices, The Mortgage Bankers Association of Northwest Ohio cannot endorse the Predatory Lending Ordinance currently being considered by the City Council of Toledo. Members of our association provide residential mortgage lending not only within the City of Toledo, but throughout Ohio and other states, as well. We would prefer a statewide initiative, such as the recently passed in the Ohio legislature, HB-386. A statewide standard, applicable throughout all Ohio municipalities and townships would be more cost effective and establish the uniformity needed to abolish predatory lending practices, while offering practical application.

There is current law in place that regulates and prohibits fraudulent lending practices. It is our association position that stricter enforcement of current law would seem to be a better alternative than new law.

We can only imagine the consequences if each municipality in Ohio passed their own predatory lending regulations. It would surely raise the cost of lending, which would be passed on to the consumer. Larger lending institutions may withdraw from lending within the state all together, leaving the more unscrupulous lenders without competition. All in all, individual city predatory lending ordinances throughout the state is redundant to the state legislation and will only bring undo hardship and difficulty to the lending institutions, which would then be passed on to the consumer.

The Mortgage Bankers Association of Northwest Ohio respectfully requests that you reject the Predatory Lending Ordinance placed before you in the interest of the good citizens of Toledo.

Board Meeting Report

Ron Patton - Toledo Area Catholic Credit Union - rpatton@taccu.org

MORTGAGE BANKERS ASSOCIATION NWO BOARD MEETING MINUTES 10/22/02

IN ATTENDANCE: Elizabeth Kollar, Bob Pinkston, Mike Kajfasz, Steve Finch, Brian Sutter, Jim Nassar, Dave Potter, Terry Wymer, Ron Patton

MINUTES: Missed from September meeting under Special Events category, Lights Before Christmas tentatively planned for the second week in January. Minutes accepted and approved.

TREASURERS REPORT: Mike presented a report for September. There was a cancellation fee assessed for the Mud Hens outing. Mike stated an account was established in order to keep the funds separate. The Treasurers report was reviewed and approved.

Committee Reports:

TBR - Mike reported on the TBR/MBA golf outing results of \$6,000.00 in profits for Habitat. The next event is a guest bartender evening on November 21st at the Durty Bird. Also in the works is a casino night in March, and a combined TBR/MBA summer event in June.

HBA - Terry mentioned the Spring parade of homes will be in Perrysburg next year.

Special Events - Besides the Lights before Christmas in January, a boat cruise in the summer was suggested by Brian.

Education – The seminar scheduled in February for Desktop Underwriter and Loan Prospector was cancelled. However, the self-employed seminar is scheduled to be in Toledo in March. In December there will be a three day Loan Officer University session. The site is yet to be determined.

Elizabeth discussed a letter sent to the Toledo City Council not supporting the predatory lending ordinance on behalf of the MBA/NWO. Tom Finnegan, current president of OMBA was under the impression our association supported the ordinance. Ron will e-mail a copy of the letter to the membership.

Technology/Communication - Bob mentioned that its time to start gathering information for the next newsletter. The deadline is November 15th.

Membership - It was suggested by Steve to split the membership roster up amongst the board, and call representatives of each company to encourage attendance at the group meetings.

Membership Report

Steve Finch - Ohio Savings Bank - sfinch@ohiosavings.com

Member Focus

NOTICE TO ALL MEMBERS:

If you would like a little additional exposure and would like to be highlighted on our website, please e-mail Steve Finch with the following information: Name of MBA member company, Your name & position, where is your company located, how long has your company been in business, etc. This will be a good opportunity for our MBA members to learn more about each other.

We obviously would like to increase attendance at our events. In order to achieve this goal we will be giving our members a little added incentive to bring a co-worker or business associate along with them to our meetings. Keep your eyes open for details in the future.

Erie West Mortgage Company

Jack Howard, President

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Mortgage banker, or mortgage broker? In business since 1981, Erie West Mortgage Co. offers the best of both worlds. As a broker, Erie West isn't limited to a single family of loan products; we represent multiple wholesale lending sources to shop for a wider variety of loan programs with lower interest rates. This also gives us the flexibility of being able to use either FNMA's or FHLMC's automated underwriting systems for loan approvals.

Loan programs include conventional, community home buyer, bridge loan financing, 10-15% down with no MI, 100% financing, jumbo, new construction, FHA, and VA loans, and second mortgage/home equity loan programs.

However, the company operates more like a mortgage banker, providing every internal operational function except servicing. Unlike other mortgage brokers, we have on-site underwriters for all conforming loan programs. Originators have a full support staff with loan processors and a closing department that prepares the closing

documents. We fund our own loans with multi-million dollar credit lines. With all of these functions in house, Erie West Mortgage Co. can provide unsurpassed service.

Mortgage services are marketed throughout northwest Ohio and southeast Michigan with an origination office in Monroe. A division of the company, Admiral Financial Services, brokers sub-prime loans.

With our many resources, we've been able to pioneer new services while being on the leading edge of technology. At a time when "two points" was the norm among local financial institutions, we began offering no point loans and no closing cost loans. We offered evening and weekend appointments, pre-qualifications and pre-approvals, now flattered that the banking industry restructured to be more like mortgage bankers. We used automated underwriting with expanded approval and reduced documentation before many of the larger banks. Erie West Mortgage Co. reached the cutting edge of technology by being (we're told) the second lender in the country to offer on our website an application that is submitted directly to a national automated underwriting system, capable of delivering a pre-approval letter to an applicant within minutes from the convenience of their living room or a Realtor's office, with the power and speed of the internet.

Erie West Mortgage Co. was one of the founders of the Mortgage Bankers Association of Northwest Ohio, recognizing the benefits of a local organization to maintain high professional industry standards, educational opportunities, as a way of staying abreast of regulatory issues, within a social environment.

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Martin + Wood Appraisal Group, Ltd is a full service appraisal firm with 30 full time employees. We offer appraisals in each of the 50 states with our primary concentration being 14 counties in Northwest Ohio and Southeast Michigan.

Since 1965 we have completed over 165,000 appraisals of residential, commercial, industrial, agriculture, and special purpose properties and we maintain a high level of competency and thoroughness within our work. Our normal delivery time for residential appraisals is 24 hours after inspection and we will make every attempt to schedule the appraisal within 24 hours of receiving the orders.

We invite you to give us a try when you require appraisal services anywhere in the USA. Please call Ken Wood or Cynthia Waters for additional information on our services.



Treasurer's & Toledo Board of Realtors Report

Mike Kajfasz - Northwest Title Agency - kajfaszm@ctt.com

Treasurer's Report:

As of October 31, the current financial status of MBA/NWO is as follows:

Checking Account (Sky Bank): \$5010.22

Certificate of Deposit (Fifth Third Bank): \$5347.67.

We have also established a separate savings account in order to keep our Habitat for Humanity funds separate from our other funds. The Habitat fund currently has \$ 481.00, which is comprised of \$ 445.00 from our August golf outing and \$36.00 from our October membership meeting (50/50). We are in sound financial condition and the CD is available as reserve funds to be utilized only if it is necessary. Our goal is to break even on our monthly meetings and to contribute the 50/50 proceeds to our Habitat cause.

Toledo Board of Realtors:

The MBA/NWO has joined forces with the Toledo Board of Realtors to work together on events or functions that will help fund a Habitat for Humanity house in 2004. To make this happen, we need to accumulate \$50,000.

Our first event was the golf outing on October 1 at Bedford Hills Golf Course and it was a great start towards our goal. At this time, the final numbers were not available but, it looks like we netted over \$6000! The next event is November 21 at The Durty Bird near Fifth Third Field. We will have a 'Guest Bartender' night from 5:00 - 11:00. We have one other event in the works and that will be a casino/monte carlo night. The date for this event will be March 13, 2003, so mark your calendar and details will follow. Other events will be popping up and we will keep the MBANWO members updated as they are finalized.

Check the SCHEDULE Page for future events at: www.mbanwo.com

Special Events

Brian Sutter - Port Lawrence Title & Trust - bsutter@firstam.com

As most of you are aware, the M.B.A. and the Toledo Board of Realtors have teamed-up to help raise money for a Habitat For Humanity project.

The first joint fundraising event was a Golf Outing, which took place on October 1st at Bedford Hills Golf Club. In spite of everyone's busy work schedules, there was a surprisingly good turnout and the "Lunch-Golf-Dinner" event was a huge success.

The next fundraiser is scheduled for November 21, 5:00 P.M. at The Durty Bird Restaurant, located in Downtown Toledo across from Fifth Third Field. The theme of this event is "Guest Bartender Night" and should prove to be fun and entertaining, since several past T.B.R. Presidents and surprise celebrities will be put to work!

A third fundraising event is in the tentative planning stages for February/March, 2003. So far, ideas for a M.B.A. June Special Event range from a Maumee River Boat Cruise, a Mud Hens Game, and a Raceway Park evening. This event is typically social in nature and tries to promote networking in a casual environment.

If you are interested in helping out with M.B.A. Special Events, or just have some good ideas, please contact Brian Sutter (724-0464) or Mike Kajfasz (241-8195).

Technology

Bob Pinkston - Credit Bureau of Toledo - bpinkst@cbc-companies.com

Many of our members are “logging on” to the MBA Website!!

Our traffic stats, provided by the Website designer **ICUgro,Inc.**, indicates that 285 visitors signed in since the introduction on September 17th. We are averaging 1.65 User’s per day, who spend an average of 6 minutes and 5 seconds, between the most popular hours of 8 – 9am and 1 – 4 pm. Some of you can’t sleep, because we have even had traffic by nocturnal visitors!!!

Please check out our latest addition, the **MBA/NWO MESSAGE BOARD**.

The Message Board will contain selected Postings, such as; 1) the City of Toledo Predator Lending Ordinance; 2) the MBA/NWO letter to Toledo City Council. You will also note that you are able to express your opinion on this Page, which will be directed back to our association administrator for handling. *We value your opinion and input.*

Take advantage of the SCHEDULE Page and register for events online. It saves time, postage and is the most efficient way to stay in touch.