



## NEWS RELEASE

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### **Governor signs mortgage bills into law**

GREENWOOD VILLAGE, CO June 1, 2007 – Representatives of the Colorado Mortgage Lenders Association participated in a bill-signing ceremony today during which Governor Bill Ritter signed into law a package of five bills to combat mortgage fraud and reduce future foreclosures in Colorado.

“The Colorado Mortgage Lenders Association is most supportive of SB07-085 which will reduce inappropriate influencing of real estate appraisers,” said Jim Lewis, Chairman of the Board of Directors. Mr. Lewis expressed appreciation for the bill on behalf of all mortgage lenders and noted that lenders rely on accurate appraisals for their funding decisions. “Lenders suffer when real estate appraisals are artificially inflated and this bill will help curtail such fraudulent activity. Senate Bill 85 is good for industry and good for consumers,” said Lewis.

Relative to SB 07-249, which will accommodate research and reporting to the legislature for consideration of future legislation, Chris Holbert, President of the CMLA said, “We appreciate very much working with the Land Title Association of Colorado, member title companies and law firms, and other interested parties to amend the bill so as to accommodate a more thorough understanding of real estate settlement services and the variety of entities which provide those services. We look forward to working with that coalition in 2008 to further this effort and to consider regulatory and enforcement changes that would improve quality of service to consumers.”

Mr. Lewis and Mr. Holbert also expressed appreciation to Senators Groff and Veiga and to Representatives Marshall and Massey for their leadership and proactive efforts to clearly define a mortgage broker’s relationship to a borrower based on a standard of “good faith and fair dealing.” Said Holbert, “As introduced, SB 07-216 and HB 07-1322 sought to establish two different standards – one based on a fiduciary relationship, the other based on good faith and fair dealing. Through joint efforts with the office of the Attorney General, bill sponsors, and industry representatives, that conflicting dual standard was avoided and a single clear standard enacted.” Mr. Holbert went on to explain that mortgage brokers should act in a spirit of good faith and fair dealing in their sales negotiations with consumers and that the state of Colorado should be aggressive in holding licensed mortgage brokers to that standard.



Chairman Lewis also expressed appreciation for the efforts of Erin Toll, Director of the Colorado Division of Real Estate, for her prompt action in adopting an emergency rule, which provides automatic temporary registration status to thousands of loan originators who were previously exempt from state regulation. “On behalf of some 12,000 loan originators who were previously exempt, I offer my thanks and appreciation to Director Toll to prevent those law-abiding businesspeople from being at odds with the law at the time Governor Ritter signed HB 1322 into law.”

The final bill in the package, SB 07-203, changes mortgage broker registration requirements to licensing with an entry test and continuing education requirements. CMLA had opposed the bill, noting that mortgage broker registration had become effective on January 1, 2007 and therefore, had not the time for adequate evaluation of its effectiveness. Lewis and Holbert did, however, express their gratitude to Senator Groff and Representative Marshall for including in SB 203 a temporary license provision, which will allow licensed mortgage brokers to hire salespeople without having to wait up to 15 weeks for the required CBI/FBI background check process to complete. Under the temporary license provision, licensed mortgage brokers will be responsible for loans originated by those mortgage brokers who obtain a temporary license under the permanent license of that mortgage broker.

Chairman Lewis and Mr. Holbert expressed mutual appreciation for the cooperative efforts achieved during the last weeks of the legislative session to allow positive change to the package of mortgage bills. One such change that they noted was credited to Senator Veiga and Representative Massey for their efforts to protect access to reverse mortgage products for senior citizens. “Unintended consequences all too often result from well-intentioned legislation and we are grateful for the sponsors’ prompt action to distinguish reverse mortgages from more risk-oriented, non-traditional loan products,” said Lewis.

Moving forward, CMLA leadership will continue to work proactively with Governor Ritter, state legislators, the Attorney General, and the Division of Real Estate to promote aggressive enforcement against mortgage fraud and to reduce foreclosures in Colorado.

The Colorado Mortgage Lenders Association (CMLA) was founded in 1956 and represents over 6,000 individuals involved in real estate sales and finance through 345 corporate memberships. The organization provides representation, education, and networking opportunities to its members. Contact the CMLA Help Line at (303) 773-9565, ext. 4 for assistance with issues relating to mortgage origination and servicing.

Photo of Governor Ritter, CMLA Chairman Jim Lewis and  
CMLA President Chris Holbert can be accessed at:

[http://www.cmla.com/images/Holbert\\_Ritter\\_Lewis\\_sm.jpg](http://www.cmla.com/images/Holbert_Ritter_Lewis_sm.jpg)

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