




# Legal Issues in Mortgage Technology



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## What are automated compliance vendors doing?

- **Compliance with RESPA, MDIA**
- **Making services more accessible:**
  - » New integrations
  - » MISMO data standard
- **Working with CSBS – state license exams**
  - » Integrations to RegulatorConnect
  - » Monthly working calls with CSBS and regulators



## What is working: Adaptation to new GFE/HUD-1

- » Systems accept both new and old fee data

## What isn't: APR calculation *post*-RESPA

- » Our approach
  - » How we're navigating it with our clients
  - » Effects on TILA and anti-predatory lending testing
- **Problem:**
    - » TILA hasn't changed, only RESPA has!
      - Can "Lender Credit to Borrower" be used as an offset to prepaid finance charges?
      - Can LCtB be used as an offset to high cost loan tests?
        - › FNMA says NO
  - **Result:**
    - » Possible liability down the road
  - **Recommendation:**
    - » Don't do it!

# Where Are We Going?



## Future:

- » Make ACS systems easier to integrate
- » Combine with other widely-used services
- » Use data to create analytics/predictive modeling

## Goal:

- » Broader adoption of automated compliance tools

## Benefits:

- » Lower origination costs
- » Higher loan quality
- » Consumer protection