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**GOVERNOR PATRICK SIGNS SAFE ACT LEGISLATION****Massachusetts remains a leader in strengthening mortgage origination practices, consumer protection**

BOSTON - Friday, July 31, 2009 - Governor Deval Patrick today signed critical legislation to ensure that Massachusetts will retain oversight of mortgage loan originators and maintain funding to provide grants to regional foreclosure prevention centers located throughout the Commonwealth.

"Preserving homeownership opportunities for Massachusetts families is a top priority," said Governor Patrick. "This law builds on the important foreclosure prevention work we started nearly two years ago to increase protections for homeowners and strengthen oversight of the mortgage industry."

In November 2007, Massachusetts led the country when Governor Patrick signed multi-faceted foreclosure prevention legislation into law. The 2007 law produced one of the strongest regulatory structures for non-bank mortgage lenders and brokers in the country.

Designed to strengthen mortgage loan origination practices, the law mandated the licensing of individual mortgage loan originators. The law also provided enhanced protections for homeowners and mandated that a portion of fees raised through the licensing of mortgage loan originators be granted to entities providing foreclosure and first time homebuyer counseling. To date, \$3 million in grants have been awarded.

"Passage of the SAFE Act will significantly aid the efforts of state regulators to continue to implement a 21st Century model for supervision of the mortgage lending industry," said Commissioner of Banks Steven L. Antonakes. "The foundation for this 21st Century system of coordinated state supervision is the Nationwide Mortgage Licensing System, or NMLS. The development of this system began over six years ago."

In January 2008, Massachusetts and six other state mortgage regulators became the first states in the country to manage their mortgage brokers, mortgage lenders, and loan originators exclusively through this comprehensive system. By January 2010, 43 states, the District of Columbia, and Puerto Rico will be using NMLS. Commissioner Antonakes is one of three state bank commissioners who have served as a founding member of the NMLS oversight board since September 2006.

The federal Housing and Economic Recovery Act of 2008 ushered through by U.S. Representative Barney Frank included the Secure and Fair Enforcement for Mortgage Licensing Act, or SAFE Act. The SAFE Act sought to raise minimum standards throughout the United States by giving states until July 31, 2009, to pass laws licensing loan originators and to utilize the NMLS.

In essence, the SAFE Act followed Massachusetts' lead to strengthen loan origination practices and codified the NMLS. While Massachusetts had already passed loan-originator licensing legislation in 2007, some minor changes to existing law were required to ensure compliance with the SAFE Act. In numerous instances, higher standards in existing Massachusetts law were maintained.

Moving forward, the public and mortgage regulators will have the opportunity to benefit from the power of a vast data network designed to thoroughly screen mortgage companies and professionals. The NMLS will:

1. Assist regulators in determining whether companies and individuals have the character and fitness to conduct business with consumers;
2. Establish a system of professional testing and continuing education;
3. Assign a unique identifier for truly nationwide accountability; and

4. Provide consumers access to information on mortgage loan originators license status and history of enforcement actions.

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