

REAL ESTATE DIGEST

It Is Time For the Mortgage Industry and Its Regulators to Move On and Leave the Crash Behind

By Norman H. Roos

If you own a home or are thinking of buying or selling a home, this article may be of interest to you.

The national Mortgage Bankers Association "Legal Issues and Regulatory Compliance" conference in Denver was attended by more than 1,000 lawyers and compliance professionals – a record-breaking turnout.

The good news from the conference is that residential mortgage lenders are focusing more than ever on regulatory compliance. The mortgage lending industry of today is more professional, accountable and responsible than ever before. Underwriting standards and practices appear to be the tightest ever. Delinquency rates and foreclosures are down – way down – to pre-mortgage crisis levels.

The bad news is that this intense focus on regulatory compliance and risk avoidance is driving industry behavior in a way that may curtail the availability of mortgages for homeowners and homebuyers in Connecticut and the rest of the country.

According to the Chief Economist for the MBA, the number of mortgage lenders in the U.S. has declined significantly since the mortgage crisis, the cost of making mortgage loans has increased significantly, and mortgage

credit availability remains at historically low levels. This is especially true for smaller loans that are key to getting first-time homebuyers into their first homes.

It is pretty clear that these trends are directly related to the increased costs of complying with a maze of ever-changing laws and regulations issued by federal and state legislators and regulators on a non-stop basis since the mortgage crisis in 2008. The fact that these laws and regulations expose lenders to significant penalties and assessments – even for technical violations – has also contributed to the exodus of financial institutions from the mortgage business and to increasing charges by those who remain in the business.

At the same time, mortgage lenders also face the challenge of serving a Millennial generation that will dominate the housing market in the coming years; a generation that will demand different mortgage delivery systems and, in all likelihood, different mortgage products. Getting an electronic mortgage instantaneously on some yet-to-be-invented device is within the realm of possibility.

As a Connecticut homeowner, I realize that property values depend on the availability of mortgage credit and

I certainly hope that mortgage financing will be available for my purchaser when the time comes for me to sell my home.

In my view, the time is now for legislators and regulators to shift their focus from fixing the problems of 2008 to addressing the challenges of the future in order to sustain a healthy mortgage market that will allow consumers – especially Millennials – to participate in the dream of homeownership that has contributed so much to the fabric of our society.

Norman H. Roos is Counsel to The Connecticut Mortgage Bankers Association, Inc. and Chair of Robinson+Cole LLP's Finance Practice Group. The opinions expressed in this article are those of the author and not of the CMBA or Robinson+Cole.



Connecticut Mortgage Bankers Association, Inc.



This custom Catarino-built brick home on 51 Liberty Drive in South Glastonbury has impressive curb appeal. With 4,674 square feet of living space it features five bedrooms, five full and one half bath. The open floor plan has a two-story foyer, T-shaped staircase, first-floor office, hardwood floors and elegant architectural details. The expansive granite and cherry gourmet kitchen has a Sub-Zero refrigerator, breakfast area, large island and views of the private backyard. There is a butler's kitchen/pantry for entertaining ease. The kitchen opens invitingly to the family room with gas fireplace and adjacent sunroom sitting area. The first-floor formal living room has a fireplace. The second floor is host to a spacious master suite with dedicated sitting room with gas fireplace. The lovely master bath has striking decor. There are four additional bedrooms, two with ensuite bathrooms, and the laundry is located on the second floor for added convenience. An additional 1,500 square feet is provided by the finished walk-out lower level, there is a first-floor drop zone/mudroom with separate entrance and a three-car garage. An open house will be held this Sunday from noon to 2 p.m. The list price is \$799,900. **William Raveis Real Estate, Margaret Wilcox, 860-916-3517, Margaret.Wilcox@raveis.com, www.MargaretWilcox.com.**



The Evergreen 55-plus community in Cromwell is nestled on a rolling hillside surrounded by open space. With commanding views, quality construction and five models to choose from, Evergreen is a premier choice in carefree adult living. Standard features include granite counters and flat-panel maple cabinets in the kitchen, which comes with a full array of General Electric appliances. Nine-foot ceilings are standard as are oak hardwood floors in the kitchen, dining room, living room and halls. Most units have gas fireplaces. First-floor master bedroom suites with a full bath and a walk-in closet are in every unit. Layouts feature full basements and two-car attached garages. Optional upgrades run the gamut: finished basements, three- and four-season rooms, security systems and more. Open houses are held on Sundays from 1-4 p.m. Please call to confirm hours. List prices start at \$321,900. **Trilacon Development, Peter LaCava, 860-632-0855.**

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