

507 S. Grand Ave.

Lansing, MI 48933

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New MSHDA Save the Dream Program Offers Opportunities for Banks

MSHDA is proposing two new refinance loan programs. The ARM Assist Refinance is designed to assist individuals with adjustable rate mortgages in obtaining a fixed rate loan. The MSHDA Rescue Refinance is for those with a delinquency on their mortgage and for whom a loss mitigation strategy aimed at reinstating their existing mortgage is not plausible. Both of these options offer an opportunity for banks to work with MSHDA in obtaining these programs for their customers. Legislation authorizing these programs has passed the Michigan House and awaits approval in the Senate. It is expected to pass early in 2008.

Senate Passes FHA Reform Bill

The U.S. Senate recently passed an ABA-backed bill (S. 2338) that would reform the Federal Housing Administration's mortgage insurance program. The minimum down payment for FHA-backed mortgages was cut in half to 1.5 percent, the maximum loan limit was raised from \$362,000 to \$417,000. The House-passed FHA reform bill (H.R. 1852) raises the loan limit to \$829,750 in some areas, while reducing the down payment to zero. The Senate and House still must reconcile the differences between the two measures.

Farm Bill Passes Senate

The U.S. Senate also passed the \$286 billion Farm Bill with no Farm Credit System expansionist provisions. ABA and state association bankers worked to keep the Senate legislation free from FCS measures that would have expanded the system's home mortgage and commercial lending authorities.

Fed Proposes Tightening Mortgage-Lending Rules

The Federal Reserve Board is proposing rules intended to curb subprime mortgage abuses. Lending on subprime loans would be prohibited without reviewing a borrower's ability to repay. In addition it would bar loans based on unverifiable assets, require an escrow account to pay for property taxes and insurance and permit prepayment penalties only under certain conditions. The rules would also prohibit lenders from paying brokers yield-spread premiums to steer borrowers into higher-rate loans, bar brokers from coercing appraisers to misstate a home's value and ban certain deceptive advertising practices.

MiBankPAC Supports Candidates with Sound Business Fundamentals

The MiBankPAC is respected in Lansing and in your local community because of your PAC's grassroots political activism. The MiBankPAC does this by selectively contributing to candidates for public office in the Michigan Legislature, the State Executive and State Judiciary supporting sound business fundamentals and sensible governmental processes needed expand Michigan's economy. All eligible bank management and directors are encouraged to support this year's PAC campaign. For more information, please contact John Llewellyn at (517) 342-9058 or Jordan Kingdon at (517) 342-9073.

Legislators and Lenders Day March 19-20, 2008

All Michigan bankers are invited and encouraged to participate in the second annual MBA Legislators and Lenders Day March 19-20, 2008. This event is a great opportunity to network while learning how government affects the banking industry. Legislative leaders, banking regulators and industry lobbyists will speak on a variety of important issues. Attendees will also participate in dine outs throughout Lansing with key legislative leaders. All bankers are invited to participate. For information on attending, please contact Jordan Kingdon at 517-342-9073 or jkingdon@mibankers.com.

Banks Wanted to Host 2008 Grassroots Meetings

The MBA is seeking member banks to host grassroots meetings at their bank or a location in their legislative district with state representatives, state senators or members of the Michigan congressional delegation. Grassroots meetings typically include the host bank president/CEO along with 10 to 15 other bankers from the region. An MBA advocacy staff member will attend and provide discussion topics such as economic recovery, competition from tax-exempt credit unions, regulatory reform, Michigan's mortgage/foreclosure issues or a legislative update from a legislator. Banks are needed to host the following meetings in January and February:

Senate Majority Leader Michael Bishop
Congressman Mike Rogers
Congresswoman Candice Miller
Congressman Vernon Ehlers
State Representative Jeff Mayes
State Senator Jason Allen

Congressman Thad McCotter
State Representative Chuck Moss
Congressman Bart Stupak
State Senator Mike Prusi
State Representative Gary McDowell
Congressman Dave Camp

If you are able to host a meeting with any of the legislators mentioned above, contact Jordan Kingdon at 517-342-9073 or jkingdon@mibankers.com.

Bankers Support House Banking Chairman Andy Coulouris in Saginaw

The MiBankPAC coordinated a "bankers only" fundraiser to support House Banking Committee Chairman Andy Coulouris on Monday, December 10 in Saginaw. Thank you member bankers for your sponsorship and participation in the event. More than 35 bankers from 11 MBA member banks participated in the event.

Bankers Discuss Mortgage/Foreclosure Issues with State Representative Andy Meisner



MBA members participated in a MBA grassroots meeting on Monday, December 3 in Ferndale: (left to right) Richard Buss, National City Bank; Rory Ballard, Community Central Bank; Gregg Christenson, Huntington National Bank; State Representative Andy Meisner, D-Ferndale; John McQuiggin, Paramount Bank; Craig Randle, Community Central Bank; Byna Elliott, Fifth Third Bank; and Michael King, Flagstar Bank.