

507 S. Grand Ave.

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## **MBA Garners Amendments to Elder Abuse Bills**

The elder abuse reporting bills HB 5726 and 5728 have been amended to address bankers' main concerns. The sponsor has agreed to make the bank the reporter of the suspected abuse rather than the individual employee. The scope of reporting will also be expanded to include insurance companies and brokerage firms.

In addition, the joint account disclosure bills HB 5730, 5732 and 5733 which would require additional disclosure both oral and written remain on the House floor where they have seen no movement in the past weeks.

## **Two MBA Ops and Techs Committee Members Offer Testimony**

Two MBA Operations and Technology Committee members Nancy Fox, Capitol National Bank, and John Dahlberg, West Shore Bank, provided testimony to the House on the ID theft protection bill (6106). Concerns expressed by the bankers and the MBA have convinced House committee members to send the bill to a legislative workgroup for more discussion. This bill requires banks to provide notice of transfer of personal identifying information; requires a bank who sells or otherwise transfers any personal identifying information concerning an accountholder, borrower or other individual to another person, must provide notice of what information is being transferred, reason for transfer, identifies transferee of information, and includes a phone number or other contact information that the individual may use to notify the bank of any errors in this information. It also creates a 10-day blackout window requiring that the bank not sell or transfer that individual information after providing notice. To comply, banks must provide one written notice either by postal mail or electronically if certain conditions are met.

## **Banks Retain Exemption on Gift Cards**

In gift card bills (HB 4050, 4680, 4317) reported from Senate Committee, bank-issued gift cards remain exempt from additional regulation.

## **House Passes Pay Equity Bills**

The Michigan House approved two bills that would prohibit employers from paying their employees unequally based on sex, race, weight or other descriptions. This follows approval February of legislation that creates a commission to look at pay equity in Michigan. The bills now go to the Senate for consideration.

## **Panel Approves Bill to Buy and Refurbish Abandoned Foreclosed Housing**

The U.S. House Financial Services Committee recently passed a bill authorizing \$15 billion for states to buy and rehabilitate owner-abandoned, foreclosed houses, and return them to the tax rolls as affordable housing or rental units. Splitting the funding between loans and grants, HUD would award the grants based on home prices and foreclosure rates over the past four years.

# Advocacy Report

## **Freddie Mac Presentation on Mortgage Market Conditions in Michigan**

The Michigan House Banking Committee recently received a presentation from Amy Crews Cutt, deputy chief economist. Click [here](#) for the presentation — this is a must read for Michigan bankers.

## **Bankers Achieve Grassroots Victory on Credit Union Bill**

The more than 17,000 letters along with calls and e-mails from bankers and state association executive stopped the credit unions from gaining the ability to add persons to membership who work, live, worship or attend school in their “underserved area,” which in some cases include entire cities. The Credit Union Regulatory Relief Act (CURRA HR 5519) meant the business lending cap would not apply in those areas. It also would allow credit unions to offer nonmembers residing in their field of membership a wide array of consumer loans, under the guise of providing an alternative to payday lending. Thank you Michigan bankers for responding with more than 800 letters to Capitol Hill.

## **Senate Banking Panel Reaches Agreement on Bill Combining GSE Reform, FHA Housing Program**

The Senate Banking Committee has drafted legislation that combines regulatory reform of the government-sponsored enterprises with a program that would use the Federal Housing Administration to help troubled borrowers. The legislation’s GSE component would create a new combined regulator for Fannie Mae, Freddie Mac and the Federal Home Loan Banks.

## **Yingling Makes Top Lobbyist List**

For the seventh straight year, ABA President and CEO Ed Yingling has been named one of Washington’s top political advocates by The Hill newspaper. No Washington lobbyist has been named to the list more years than Yingling. The Hill, which provides in-depth coverage of Congress, the administration, the judicial branch and agencies, develops its annual list through conversations with members of Congress, key aides and lobbyists.

## **Fannie Mae Announces New Down Payment Policy**

Fannie Mae announced a new, national policy on down payment requirements for conventional, conforming mortgages the company will purchase or guarantee. Starting June 1, 2008, Fannie Mae will accept up to 97 percent loan-to-value ratios for conventional, conforming mortgages processed through its Desktop Underwriter® (DU®) automated underwriting system, and 95 percent loan-to-value ratios for loans underwritten outside of DU, in all geographic locations in the United States. The new national down payment policy will supersede the policy the company adopted in December 2007 that required higher down payments in markets where home prices are declining.



## **MBA Committee Meeting**

A recent MBA Operations and Technology committee meeting hosted Rep. Palmer (R, Romeo) and four legislative staffers who listened to banker comments on the ID theft protection package. Anyone interested in serving on a MBA committees click [here](#) for a volunteer application.

## **2008 MBA Washington, D.C. Delegation September 23-25**

The MBA will host its annual Washington, D.C. Delegation September 23-25 at the Mayflower Renaissance Hotel. MBA members representing institutions from each congressional district are required for this important advocacy event. Participants will meet face-to-face with a governor from the Federal Reserve, leaders at the FDIC, OTS and OCC, in addition to visiting with members of Congress on Capitol Hill. Contact Jordan Kingdon for more information at 517-342-9073 or [jkingdon@mibankers.com](mailto:jkingdon@mibankers.com).

## **Upper Peninsula State Bank Hosts Foreclosures and Credit Union Discussion with Congressman Bart Stupak**



David Williams, Upper Peninsula State Bank; Bill Edberg, Range Bank; Clay Peterson and Charlie Pepin, Wells Fargo Bank; Mark Lektzian, First Bank Upper Michigan; Dave Rivard, Baybank; and Rick Nebel, Peoples State Bank of Munising; participated in a discussion with Congressman Bart Stupak in Escanaba. Topics included the increasing number of mortgage foreclosures, pending housing legislation in

D.C., and expansion proposals for the credit unions. Members communicated the MBA's strong opposition to H.R. 5519 (Credit Union Regulatory Relief Act of 2008) and its proposed voice vote on the House floor.

## **OSB Community Bank Hosts Meeting With Congressman Tim Walberg**

Chuck Maurer, Phil Hubbard, Karena Jors, Randy Heselschwerdt, Jeff Hubbard, Mike Brooks, Barb Vincent, Carolyn Cardwell, Dean Thompson and Margaret Dickerson, OSB Community Bank; Craig Connor, Bill Jors and Scott Evans, Hillsdale County National Bank; John Selenko, First Federal Bank; and Bill Kerr, Flagstar Bank participated in a discussion with Congressman Tim Walberg in Brooklyn.



Congressman Walberg agreed to take a look into the safety and soundness concerns presented with increased business lending powers while reducing the capital requirements of credit unions. Bankers also thanked him for co-sponsoring H.R. 2091, which will help lower the funding costs of municipal projects for community banks in the FLHB system. The MBA requested that he co-sponsor this legislation at a previous meeting with Rep. Walberg earlier this year in Jackson.

## Action Needed on U.S. Senate Version of Credit Union Expansion Bill

Sen. Joe Lieberman (I-Conn.) introduced the Senate version of the MBA-opposed Credit Union Regulatory Improvements Act (S. 2957). Like its House companion bill (H.R. 1537, aka CURIA) it would loosen credit unions' capital standards, increase their cap on business lending from 12.25 percent of total assets to 20 percent and expand their authority to add underserved communities to fields of membership. Click [here](#) to send an action alert to U.S. Senators Debbie Stabenow and Carl Levin.

## Talk to Your Local Legislators About Mortgage and Foreclosure Issues

As the entire Michigan House of Representatives is up for election this fall and the number of Michigan foreclosures continues to rise, this issue will become increasingly popular in the media and with constituents. Please reach out to your elected officials and educate them on these issues. It is extremely important that they understand that Michigan's foreclosure issues are related to our state's recession and not from banks taking advantage of ill-informed consumers. Share these [mortgage](#) talking points and [subprime](#) lending talking points with our elected officials so they can help keep the press focused on the real problems causing these issues in Michigan.

## Fifth Third Bank Hosts Discussion With Congressman Camp in Traverse City



Fifth Third Bank in Traverse City hosted a recent discussion on mortgage issues and credit union expansion proposals with Congressman Dave Camp. Mark Eckhoff, Loren Cunningham, Rod Brown and Wade VanHouzen, Fifth Third Bank; Bruce Reavely, Huntington National Bank; Eric Shaffer and Eric Fournier, National

City Bank; Mitchell Blue, Irwin Union Bank; Jeff Harrand and Ron Jarosz; Honor State Bank, Doug Wolf, Chase Bank and Jeff Hickman, Citizens Bank discussed the rising number of foreclosures related to regional job loss and H.R. 5519, the Credit Union Regulatory Relief Act, which aims to expand the commercial lending authority of tax-exempt credit unions.

## Banking Leaders Meet at Dearborn Federal Savings Bank with Speaker of the House Andy Dillon

MBA members recently discussed the local economy and pending legislative issues affecting our industry with Speaker of the House Andy Dillon in Dearborn. Bill White of Dearborn Federal Savings Bank hosted the discussion in his boardroom with: Warren Musson, Fidelity Bank, Marty Heger, Jr., Dearborn Federal Savings Bank, Kim Schmidt, Community Central Bank, Karyl Smith, Flagstar Bank, Todd Bailey, Huntington Bank,



and Wendy Zdebski & Rita Daldin of Fifth Third Bank. The MBA facilitated a discussion on local real estate devaluation, increased foreclosures, job loss, moratorium proposals, and financial elder abuse legislation.