

# Lenders Compliance Group

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Monday, April 4, 2011

## Final Rule Stayed - Interviews and Advocacy

[View my JDSUPRA profile](#)**COMMENTARY:** by [JONATHAN FOXX](#)

Jonathan Foxx is a former Chief Compliance Officer of two publicly traded financial institutions, and the President and Managing Director of [Lenders Compliance Group](#), the nation's first full-service, mortgage risk management firm in the country.

"Sweet are the uses of adversity," said Duke Senior in Shakespeare's *As You Like It*, when he realized, now exiled and deposed and forced to adopt new ways of surviving, that those challenging circumstances, though dire, "Like the toad, ugly and venomous, Wears yet a precious jewel in his head." The Duke was not resigning, not giving up, not giving in; he was admitting change, but also recognizing a new type of freedom gained.

### Gaining freedom requires action!

Economic freedom is the "precious jewel" the mortgage industry wants to preserve now in the face of the FRB's overreaching loan originator compensation rule, through the industry's mission entrusted not only for itself, but even more so for the benefit to consumers.

The disparate and far-ranging mortgage industry, consisting of participants with competing and shared economic interests, seems to have come together with the singular mission of preventing the TILA loan originator compensation requirements, as now promulgated, to be implemented – and with good reason.

On April 1, 2011, the mortgage industry learned of the stay (pending appeal) granted by the U. S. Court of Appeals - DC, in [National Association of Mortgage Brokers](#) and [National Association of Independent Housing Professionals](#) v Federal Reserve System (FRB).

The stay bars implementation of the FRB's final rule - specifically, 12 C.F.R. § 226.36(a), (d), and (e), the provisions in the TILA amendment concerning loan originator compensation.

The FRB's response is due today, Monday, April 4, 2011 (by 12 noon - EST).

The NAMB and NAIHP's response to the FRB is due tomorrow, Tuesday, April 5, 2011 (by 10AM - EST).



### Three Interviews

You may be interested in listening to an interview I gave on Friday, April 1, 2011.

My interview was actually one of three interviews devoted to the stay and its implications.

The other interviewees were Robert Lotstein, of [Lotstein Legal](#), and Rich Andreano, of [Patton Boggs](#).

All interviews can be listened to for free, courtesy of Paul Donahue, Founder of [Abacus Mortgage Training and Education](#), who conducted each interview.

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Paul Donahue, who conducted the aforementioned interviews, is the Founder of well-respected [Abacus Mortgage Training and Education](#), a leading provider of training and educational support to the mortgage industry. His company's [Mastery Series](#) provide venues for subject matter experts to discuss important industry related issues and ideas directly

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TITLES HELD

Click below to obtain a copy of the [Mastery Series](#) webcast, a panel discussion devoted to loan originator compensation, held on March 22, 2011.



### Advocacy

Do not underestimate the power you have to strengthen your position in this dispute against the FRB. Do not underestimate the power you have to protect the consumer from the uncertainty caused by the loan originator compensation rule.

I have received many calls from members of the industry who want to voice their opposition to the FRB's Rule.

If you are interested in expressing such views, or want to become more familiar with this controversy, visit [Impact Mortgage Management Advocacy and Advisory Group](#) (IMMAAG), which has organized advocacy responses and drafted the following proactive tools:

- Draft Letter to Your Representative - Not on the House Financial Services Committee (HFSC)
- Draft Letter to Your Representative - Member of the HFSC
- Draft Letter to Your Senator - Not on Senate Banking Committee
- Draft Letter to Your Senator - Member of the Senate Banking Committee
- Draft Amendment Language including Talking Points
- Compensation Position Statement - Attachment

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