

MEMORANDUM

To: Subscribers to *Mortgage Procedure Guide to Federal and State Compliance*

From: A.S. Pratt & Sons

Subject: Highlights

Your update to *Mortgage Procedure Guide to Federal and State Compliance* is enclosed. This update will help you to ensure continued compliance with the myriad state laws affecting mortgage procedures. The update includes the following new and updated information:

- A new chapter, Chapter 27A, Multi-State Developments on Nontraditional and Subprime Loan Product Risks, provides guidance on nontraditional mortgage product risks including recommended practices; state-by-state details; and a helpful table showing all the states adopting the guidance on nontraditional mortgage product risk and the statement on subprime mortgage lending.
- A new section on Alaska's state licensing requirements for mortgage loan brokers, loan originators, and mortgage lenders appears for the first time in Chapter 18. New Alaska licensing requirements become effective July 1, 2008.
- Also new in Chapter 18:
 - A new licensing exemption for out-of-state default loan servicers in Idaho
 - Updated mortgage loan origination, purchasing, and servicing information in Illinois
 - Updated information for licensing of lenders, purchasers, and servicers in Maine
 - A new section on licensing of default loan servicers in New York City (debt collection agency)
 - Updated and new information on licensing of lenders, purchasers, and loan servicers (own account) in South Carolina
 - New section on licensing of default loan servicers (collection service) in Tennessee
 - New information on registration for default loan servicers (collection agency) in West Virginia
 - General updates to the entire chapter
- Chapter 19 contains the first requirements for Alaska mortgage broker/lender licensees' books and records as well as new information for Maine, Maryland, Mississippi, and Washington.
- Effective June 1, 2008, Illinois has new prepayment penalty provisions for non-exempt, variable rate residential mortgages. (See Chapter 21.)
- Chapter 27 contains California's final rules on nontraditional, adjustable rate, and mortgage loan products effective January 1, 2008, information on Cook County (Illinois) predatory lending database, and updates in the section on Maine.