# POINTS OF INTEREST

Spring 2021

A Publication of the California Mortgage Association

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A Publication of the California Mortgage Association

## BOARD OF DIRECTORS 2020-2021



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## INSIDE THIS ISSUE




**POINTS OF INTEREST** is published by the **California Mortgage Association**, a voluntary trade association serving California mortgage and trust deed brokers and lenders.



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# FROM THE PRESIDENT

**Elizabeth M. Knight**
**2020-2021 CMA President**

I hope as of this writing you are all doing well; taking time to be with your families, taking time to take care of yourself, staying healthy and enhancing and protecting your businesses from the ongoing changes to the market and the enactment of new legislation.

As I had mentioned in the last *Points of Interest* President's message, I enjoy sharing quotes from famous people. This edition's quote best described my thoughts about CMA as a group since we are strong and bold:

> **Yeah, life is complicated, but if it wasn't complicated, it would be a roller coaster on a flat track. Wouldn't be a ride worth taking.**
> **– Suspense writer Dean Koonz**

Many of the CMA members consist of small enterprises which allow (or make) the owners to perform and perfect so many different functions of their business. Where a large company has a team of loan officers, processors, underwriters, loan committees for different types of loans, funders, closers, post-close auditors, HR teams, accounting departments, marketing departments and a myriad of other departments, our CMA members perform many or all of these functions themselves. Could any of you imagine simply performing one function all day, every day? For the entrepreneurial CMA members, it would be a "roller coaster on a flat track."

Sometimes, although we ride a roller coaster ride every day, we want to make it wilder than it already is. Perhaps, it is not a conscious choice. It is just something that wants us to feel bolder, more creative, just ... more. But, when looking back, we think "What was I thinking? Why did I work with that borrower? Why did I let them push me into closing so quickly without performing as much due diligence as I normally do? Why did I step outside my knowledge base without further review or consult on this loan?" Maybe it is because we want a bit of the shrieking highs and lows of any great roller coaster to rise to the precipice, free fall and then soar again.

Currently, the real estate market is, in many areas, rising in value very quickly. Properties that sold last month for $1,250,000 are now selling for $1,450,000. We are seeing not just multiple offers but unprecedented numbers of multiple offers causing offers to exceed list price by as much as 10%, maybe more in some areas. I was talking to one agent who had 85 offers come in on one property and the final accepted offer exceeded the list price by 12%, all cash, and, the original list price was at market. There are four driving forces that create such an occurrence: Low inventory, low interest rates, people who feel they need to jump into the market, people with cash.

But, as any of us know who have been in this business many years, this is a cyclical market and every time there is a downward adjustment in the market it follows an accelerated uptick. My message here today is to be especially cautious when

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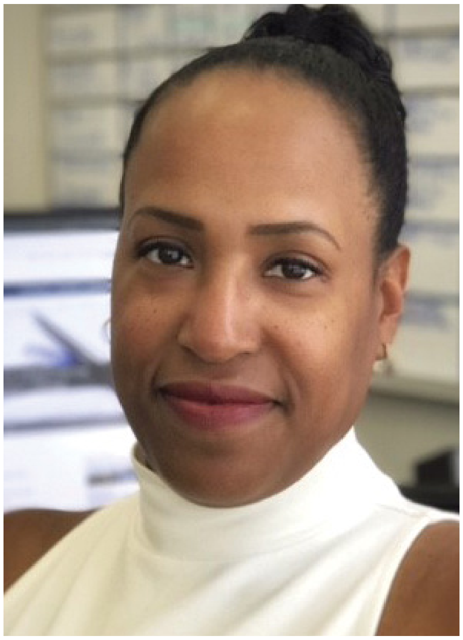


# FROM THE EDITOR

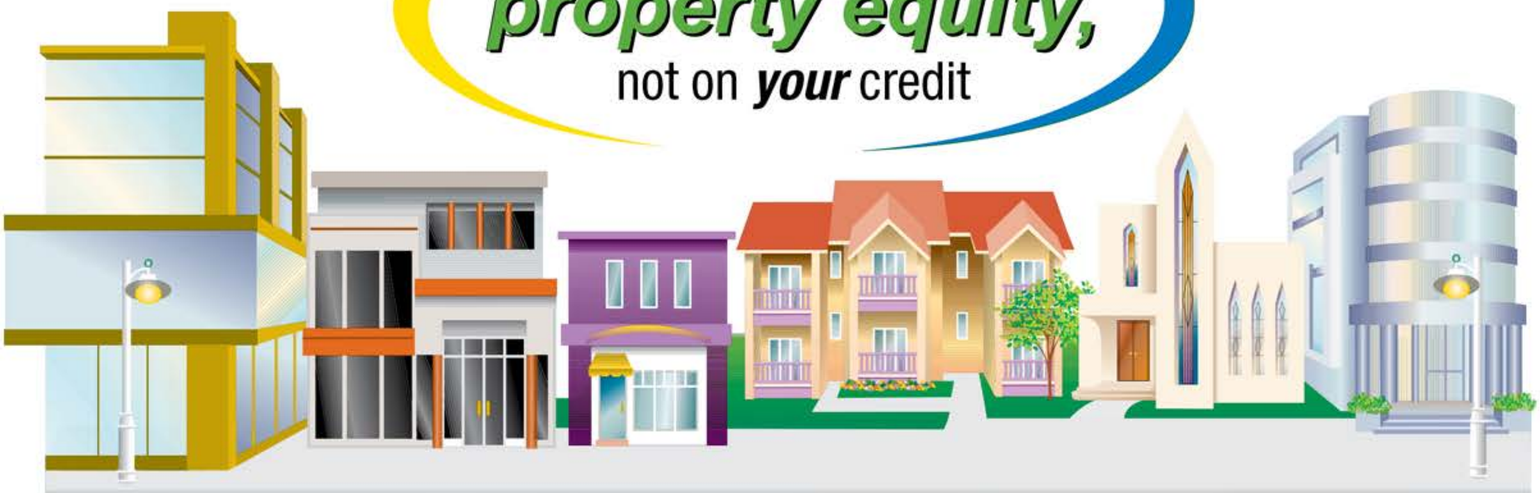
**Mayumi Bowers**
**Editor, POINTS OF INTEREST**

Spring has arrived which means new life, fresh starts, and new opportunities. We can all agree that 2020 was a challenging year for a multitude of reasons. But 2021 is a new year with what looks like the promise of getting back to something that looks like normal again.

It's a time to let the spring showers rinse away all of the frustrations and feed the new seeds of opportunity. The economy is picking back up as things open back up, the vaccine is being distributed, and hope springs eternal.

As we progress through this year, I suspect that there is going to be a lot of change ahead in many aspects of our industry due to legislation, the economy, and of course the ever-lingering effects of Covid-19 but I am optimist that these changes, whatever they may be, won't come as a jolt but a gradual change (just like the changes of the seasons).

In this edition, we focus on a couple of those gradual changes that may touch your business.



# SACRAMENTO SUMMARY

**By Michael J. Arnold & Michael D. Belote, Esq.**
**CMA Legislative Advocates**

# Real Estate Issues Front and Center For 2021

If the analogy was to a horse race, we might say that the California Legislature is "off and running" for 2021, the first year of the new 2021-2022 session. During the pandemic, however, we really should say that the state Senate and Assembly are "off and limping" to begin the legislative year, as 2021 is beginning in the same remote fashion as last year. To be clear, the legislative process does not function well in a remote environment: in a recent hearing on evictions, an overwhelmed AT&T conference operator attempted gamely to shepherd nearly 1000 landlords and tenants wishing to testify on a bill. The result was exactly what would be expected, with barking dogs, crying babies, bad connections, disconnections, drunk callers, abusive callers, and even people calling in on the wrong bill.

It turns out that legislating and lobbying is both more effective and more efficient when done in-person. Who knew? But in contrast to restaurants and baseball games, which might be able to function with reduced capacity, the Capitol pretty much has to be either open or closed. Because the building cannot accommodate unlimited visitors in the near-term, the remote environment is likely to continue for some time.

Several of the key issues of particular focus this year have implications for CMA. On evictions and foreclosures for example, a budget trailer bill already has been enacted extending eviction protections until summer. Legislators believe, correctly or incorrectly, that an unlawful detainer tsunami will occur when the moratorium ends. Foreclosures are a good deal more nuanced, in that foreclosure rates are not rising significantly, forbearances largely seem available for those affected by the pandemic, and property owners still have equity, because of the increases in home values. But with the recent CFPB proposal on foreclosures, it is likely that California legislators will want to visit the issue this year.

A second key issue with ramifications for CMA members is housing and homelessness. Of the over 2500 discreet pieces of legislation introduced for 2021, literally hundreds relate to housing in some fashion. Given the personal interest of Senate President Pro Tem Toni Atkins in the housing shortage, it is very likely that legislation will be enacted this year. But housing has proven to be a veritable Rubik's Cube of complexity in the past, because of the multiplicity of interests involved, including local governments, NIMBYs, YIMBYs, lawyers, labor, environmentalists, builders, and more. Probably every subject involving the creation of housing is the subject of bills this year, including such disparate topics as local fair allocations of housing needs, zoning, CEQA, finance, and many others.

Third, Governor Newsom and the legislature are concerned about wildfires and homeowners insurance availability. As this column is written, the legislature is considering a budget trailer bill allocating over $500 million for wildfire costs and prevention, including home hardening. Obviously nothing could derail a healthy real estate market faster than the inability to obtain homeowner's insurance, so this too is a big issue.

Beyond these mega-issues, CMA is also involved in numerous individual bills, including the following:

- **SB 373: Economic Abuse**
  Would prohibit collection activities in situations where various persons specified in the bill opine that the debt is the result of "economic abuse," broadly defined to include, among other circumstances, defrauding the debtor of money or assets, in the provision of products and services. Real property-secured loans are not exempt.

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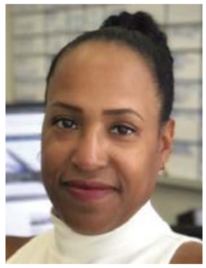

**Mayumi Bowers**
**Vintage Mortgage, Inc.**

# A "Wyatt" Standard for Insurance Brokers?

In November of 1966, Joseph and Clarice Wyatt walked into the Stockton office of Union Home Mortgage to borrow $2,500.

They had no idea that the loan(s) they would get, and the ultimate litigation, would be referenced in numerous lawsuits against brokers, well into the next century.

Union, as a broker, failed to draw Wyatt's attention to specific, unfavorable clauses in the loan, allegedly "breaching their fiduciary duty." They were found, among other allegations, to have engaged in a "conspiracy" against the borrower. The case is often referenced in litigation, to indicate a broker's duty to look out for the interests of the borrower.

Punitive damages were awarded against the broker – $200,000. That was "a lot of money" in 1979, the year the broker lost their appeal.

In the world of insurance brokerage, a new decision, *Murray v. UPS Capital Management*, seems to impose a "Wyatt-like" duty on insurance brokers.

Basically, Murray sued the insurance broker for failing to make the insurance policy understandable. (Can insurance brokers really do that?) The policy he purchased didn't even cover the ultimate loss against which he sought to be insured.

The decision considered that the broker, (UPS) held themselves out as specializing in the type of insurance purchased by Murray.

In lawsuits against mortgage brokers, *Wyatt v. Union Home Mortgage* is cited in at least one out of three cases. It's interesting to see *Murry v. UPS* as the "Wyatt" of insurance brokerage. More important to us, it may help expand our understanding of the

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**Wyatt** – *continued from page 7*

standards imposed by *Wyatt*, something we should all be aware of.

Consider Googling *Wyatt v. Union Home Mortgage*. Reading the first eight or so paragraphs will give you a good overview of the issues.

An interesting note, one of the attorneys in the appellate case was Bruce H. Newman, who was the original General Counsel for CMA (before Phillip M. Adleson and now, Robert Finlay).

A special thanks to Attorney Craig Forry, of Forry Law, author of the following article about *Murry v. UPS Capital Insurance Agency, Inc.* He was kind enough to allow us to provide his article along with this introduction. I'm fortunate to be on Mr. Forry's e-mail list (*www.ForryLaw.com*).

# Forry Article

## Introduction

*In the recent decision in* Murray v. UPS Capital Insurance Agency, Inc., *the California appellate court reversed the trial court's granting of summary judgment, and remanded the action for a jury trial, because Murray raised triable issues of fact as to whether UPS Capital undertook a special duty by holding itself out as having expertise in inland marine insurance, and Murray reasonably relied on its expertise.*

*Murray purchased used computer equipment worth nearly $40,000, which was damaged by the United Postal Service (UPS) while it was being transported from California to Texas. Murray believed he purchased appropriate insurance to cover the loss, but the insurance company denied his claim.*

*Murray sued his insurance broker, UPS Capital Insurance Agency (UPS Capital), for breach of contract and negligence. He asserted UPS Capital owed him a special duty to make the insurance policy language understandable to an ordinary person and to explain the scope of coverage. The court granted UPS Capital summary judgment after concluding there was no heightened duty of care and dismissed Murray's lawsuit.*

*On appeal, Murray asked to create a new rule that brokers/agents, specializing in a specific field of insurance, who hold themselves out as experts, are subject to a heightened duty of care towards clients seeking that particular kind of insurance.*

*The appellate court declined the invitation to create a per se rule; however, it reversed the judgment and remanded the matter, and in doing so confirmed some basic principles of liability for insurance brokers/agents.*


In 2018, Murray contacted UPS Capital and requested insurance coverage for a shipment that same day from California to Texas. He completed UPS Capital's form application for a house policy coverage and paid $350. On the form, Murray described the shipment as used computer equipment valued at $37,000.

That same day, Tokio Marine America Insurance Company (Tokio) issued a Marine Certificate of Insurance (Certificate), which Murray believed fully insured the shipment in the event of any loss or damage by UPS. The Certificate contained a Free From Particular Average (FPA) provision, providing a limitation on coverage.

At some point during the shipment to Texas, UPS damaged the equipment and Murray submitted a $36,666.85 claim. Tokio rejected the claim on the grounds the coverage Murray purchased did not cover the loss. Specifically, Tokio argued the Certificate's FPA provision did not apply to the shipping damages.

Murray later learned the policy covered only catastrophic losses such as the entire destruction of the vehicle in which the shipment was carried by UPS, and not damage caused by factors other than a catastrophic loss such as mishandling the freight or other causes.

Murray sued UPS Capital, and his negligence claim was based on the premise UPS Capital owed a special duty to the public and to Murray to exercise reasonable care in its dealings including a duty of disclosure to inform Murray of the products available to cover in-transit cargo loss and damage in the absence of a catastrophic loss and further to fully explain technical provisions such as the FPA provision.

Murray maintained UPS Capital breached its duty of care by failing to fully explain the FPA

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provision in the Certificate, by not disclosing other available insurance products to Murray, and by not giving Murray the opportunity to purchase insurance that would cover loss or damage caused by factors other than a catastrophic loss.

Murray argued an insurance agent may assume additional duties by an express agreement or holding itself out as being a specialist. Because UPS Capital held itself out as having expertise, it had a duty to inform Murray of the basic coverage details of the insurance policy.

The trial court granted UPS Capital's motion for summary judgment and dismissed the lawsuit, concluding California law is well settled as to the limited duty of insurance brokers, which is only to use reasonable care, diligence, and judgment in procuring the insurance requested by an insured.

Murray contended the trial court erred because he presented facts establishing UPS Capital owed a heightened duty to advise Murray that All-Risk insurance was available and/or explain the limitations of FPA coverage.

The appellate court found no published cases on the issue of whether insurance brokers, selling one kind of policy, automatically assume additional duties simply because they are specialists, implicitly holding themselves out as having expertise in that given field of insurance. Murray proposed it create a per se rule imposing a heightened duty of care for all specialized agents/brokers.

While the appellate court declined to institute such a rule, it concluded public policy supports the creation of a reasonable inference of expertise when there is evidence the agent specializes in a particular field of insurance.

The undisputed evidence of UPS Capital's specialization, in addition to Murray's other evidence, created a triable issue of material fact that, if found true in Murray's favor, would show UPS Capital assumed a special duty to advise Murray about the limited coverage available to ship his used goods with UPS.

As a general rule, an insurance agent assumes only those duties found in any agency relationship such as reasonable care, diligence, and judgment in procuring the insurance requested by an insured.

An insurance agent has no duty to affirmatively advise an individual seeking insurance about different or additional coverage. There is no fiduciary duty to (1) make available to them a particular kind of insurance, (2) advise them of the availability of such coverage elsewhere in the industry, or (3) advise them of inadequacies in coverage of which plaintiffs should, as reasonable persons, have themselves been aware.

However, an insurance agent may assume a greater duty to the insured when one of the following three exceptions arise: (a) the agent misrepresents the nature, extent or

*continued on page 10*

scope of the coverage being offered or provided, (b) there is a request or inquiry by the insured for a particular type or extent of coverage, or (c) the agent assumes an additional duty by either express agreement or by holding himself out as having expertise in a given field of insurance being sought by the insured.

Whether a duty of care exists is a question of law for the court. Also, whether, and the extent to which, a new duty is recognized is ultimately a question of public policy. Any extension of the existing exceptions or creation of a new duty is ultimately a question of public policy.

The appellate court found no case law specifically defining the phrase "holding themselves out as having expertise," but it discussed the factors that should be considered when applying this exception, as discussed in the 1997 decision in *Fitzpatrick*.

The *Fitzpatrick* first of three exceptions, when the agent misrepresents the nature, extent or scope of the coverage being offered or provided, was based on the court's analysis of three cases: *Nacsa* – agent misrepresented policy provided full coverage to replace business personal property in case of total loss; *Desai* – agent misrepresented insured getting 100 percent replacement cost coverage with real property insurance policy; and *Free* – homeowner specifically inquired if coverage limits adequate to rebuild home.

The second exception, when "there is a request or inquiry by the insured for a particular type or extent of coverage", was based on *Westrick*, where an insurance agent failed to disclose facts about immediate coverage for a recently purchased truck in response to a specific inquiry about coverage. The court determined the agent had a duty to explain a limiting provision to the insured because the insured made prior inquiries regarding coverage of a welding truck under his existing policy and the agent had superior knowledge of the scope of the policy's automatic coverage clause.

The third exception applied when "the agent assumes an additional duty by either express agreement or by 'holding himself out' as having expertise in a given field of insurance being sought by the insured.

The appellate court concluded in *Murray* that neither case authority nor public policy support creation of a per se rule regarding specialists, but rather courts must utilize a totality of the circumstances approach.

Evidence of specialization at a minimum creates a presumption the agent/broker anticipates their clients will rely on their acknowledged expertise, and supports courts imposing an extended duty.

While UPS Capital's evidence adequately refuted application of the second exception (applicable when there is a request/inquiry), Murray's evidence raised a triable issue of material fact regarding application of the third exception (holding itself out as having expertise).

The case was remanded to permit a jury to resolve the triable issue of material fact as to whether UPS Capital was holding itself out as having expertise in a specialized area of insurance, and therefore, assumed a heightened duty of care.

## LESSONS:

1. The duty of insurance brokers/agents is limited to those found in any agency relationship such as reasonable care, diligence, and judgment in procuring the insurance requested by an insured.

2. An insurance agent may assume a greater duty to the insured when one of the following three exceptions arise: (a) the agent misrepresents the nature, extent or scope of the coverage being offered or provided, (b) there is a request or inquiry by the insured for a particular type or extent of coverage, or (c) the agent assumes an additional duty by either express agreement or by holding himself out as having expertise in a given field of insurance being sought by the insured.

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**Odell Murry**
**MAI Financial Services, Inc.**

# Can Private Money Fuel the Recovery Once Again?

## As the Pandemic Retrenches, Private Money Steps Up

In comparing the 2020 COVID-19 Pandemic to the Great Recession of 2007, there are some major differences, but some similarities. During the Great Recession of 2007 institutional lenders were quick to batten down the hatches, the money stopped flowing, and the resulting hasty retreat of institutional lenders allowed private lenders to get involved to keep the gears of the real estate sector of the economy from locking up completely. As traditional lenders backed away, private lenders seized the moment and stepped in to fill the void.

Today's economic indicators and the mood may feel reminiscent of the lead-up to the Great Recession of 2007. Like with that economic disaster, the stock market has remained stubbornly strong throughout the COVID-19 pandemic, despite concerns of a record number of people out of work. The lock-down has hampered much of regular economic activity, but at the same time, it has led to record levels of personal savings. At the start of 2021, there are some 10 million Americans behind on their rent and mortgages, and it appears that government programs are the only thing preventing a massive crisis in the housing market, but that crisis showed signs of bubbling up to the surface as indicated by falling rental prices in pricey coastal metros during late fall and early winter. Since then rent prices have already begun to climb again, but it is still too soon to tell if that rally will be sustainable without continued government intervention.

It can be said that the federal government certainly has intervened more quickly in this case than in the Great Recession. The Federal Reserve swiftly dropped the Federal funds rate to near-zero, resumed programs to purchase massive amounts of securities, backstopped money market mutual funds, and vastly expanded the scope of its repurchase agreement operations. Congress approved a $1.8 trillion package on March 27, 2020, which included $500 billion in direct payments to Americans, $208 billion in loans to major industries, and $300 billion in Small Business Administration loans. Nine months later, a $2.3 trillion spending package, which included a second round of stimulus, was signed into law.

The question is, what happens if the markets perceive that government funding dries up, or that the funding provided simply isn't enough to stave off calamity? Institutional lenders do not manage upheaval the way that private lenders can. As a result, the opportunity for private lenders may be here again. It may then be up to private lenders to once again "Save the Day," as the private lending industry did so admirably in 2007 and 2008.

### Collapse of Employment

The unemployment figures have been dire, as whole sectors of the service economy were paused or diminished because of COVID-19 lock-down policies. In April 2020, the U.S. unemployment rate peaked at 14.7%, and it has only scaled down to 6.4% in January 2021. As we all know, those numbers likely are worse among people of color and women, who economists say are bearing the brunt of this economic disaster.

Even a short-term interruption in employment can have disastrous consequences on credit scores for some potential home-buyers, as bills become past due. If federal recovery programs fail to keep pace with economic need, the credit picture for many home-buyers, at least with institutional lenders, may grow even murkier.

### Reshaping of the Real Estate Sector

We are likely to see a dramatic reshaping of the real estate outlook, and it may have real ramifications for institutional and private lenders. Office, retail, vacation, and hospitality real estate all saw a significant

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**Recovery** – *continued from page 11*

dip in value in 2020, and the bottom for that dip isn't predicted to come for some time, according to a recent Bloomberg News Report. Also, people are rethinking where they are living and working, both because of the pandemic and because companies have been forced to realize that technology allows a dispersed workforce to work effectively and, in some cases, more efficiently than they would in an office. This means that investments in urban and office real estate, once sure bets, are now on shakier ground.

All this may spook institutional investors from putting money down on large-scale projects. However, there may be a need for more small-scale lending for housing in the suburbs and rural America, as people flee to places with more space and are no longer tied geographically to their jobs.

### Filling the Void

Private lenders have proven they can step in when institutional lenders waver. While the Great Recession was devastating for the real estate market, it was private money – gathered from private individuals, pension funds, IRA's, and other private investors – which proved a source of key capital during the recovery. For example, In 2012, privately funded multifamily property loans in the United States went up 22% over 2011, and privately funded loans for retail property increased by 17%.

Private lenders are able to navigate more turbulent terrain because their definitions of risk and success are fundamentally different from traditional mortgage lending. Private loans are typically based on the amount of equity in a property, rather than on the borrower's individual credit score, for example. And private investors are more concerned with seeing a solid plan for a good rate of return on investment than with credit scores, and that may lead them to find good investments when institutional investors turn their back on certain borrowers in the real estate market.

These are indeed turbulent times, and it is impossible to predict fully what the close of 2021 will look like in the economy or the U.S. real estate market. What we can say with some confidence is that history has shown that private investors may be the lubricant that keeps the gears of the real estate sector from locking up in times of crisis, and they likely will be called on to play a large role in this latest recovery effort.

*Odell Murry is founder and president of MAI Financial Services Inc., a private-mortgage company and institutional commercial mortgage broker. He is also a board member and past president of the California Mortgage Association. Murry originates institutional and private-mortgage loans on apartments, industrial, retail and most other income-producing commercial real estate. He also serves as chairman of the National Advisory Board of the University of Massachusetts W.E.B. Du Bois Center. You can contact Odell Murry at* OMurry@MAIFunding.com *or (866) MAI-FUND.*


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# Am I a "Debt Buyer?"

## Understanding the New Wave of Debt Buyer Statutes and Their Impact on Servicing Non-Performing Mortgage Debt

The financial goal of every debt buyer is uniform – maximize your return on investment. As the debt buying marketplace expands, states are enacting laws to regulate the industry and protect consumers. The only thing more damaging to your bottom line than a poorer than expected return on a purchased debt is finding yourself in a lawsuit where your exposure is in the tens of thousands of dollars because you unknowingly violated a new state law. California and Texas are two states who have recently passed "debt buyer statutes" aimed at companies purchasing charged-off debt on the secondary market. This article explores the impact of those laws on debt buyers, the potential applicability to residential mortgage debt and things to be on the lookout for.

### California Fair Debt Buyers Practices Act:

On January 1, 2014, California's Fair Debt Buying Practices Act ("FDBPA"), *Civil Code* § 1788.50, et seq. took effect. Under this law, "debt buyer" means a person or entity that is regularly engaged in the business of purchasing **charged-off** consumer debt for collection purposes, whether it collects the debt itself, hires a third party for collection, or hires an attorney-at-law for collection litigation. "Debt buyer" does not mean a person or entity that acquires a charged-off consumer debt incidental to the purchase of a portfolio predominantly consisting of consumer debt that has not been charged off. "Charged-off consumer debt" means a consumer debt that has been removed from a creditor's books as an asset and treated as a loss or expense.

This new law sets new requirements to be mindful of when attempting collection on a charged-off loan.

- ***Cal. Civ. Code* 1788.52:** This section fairly painstaking tells you what must be included in your communication with the borrower and should be followed to the letter.

- ***Cal. Civ. Code* 1788.54:** This section ensures if you reach a settlement or workout with the borrower that it is reduced to writing and if they make payments under that agreement, that within 30 days of receipt, they must be sent a statement that shows the amount paid, remaining balance, among other things.

- ***Cal. Civ. Code* 1788.56:** This section states that you cannot sue a borrower if the statute of limitations has expired. If you do, the section gives the borrower the right to recover damages, as discussed more below.

- ***Cal. Civ. Code* 1788.58:** This section creates a template for what must be included in the creditor's complaint.

- ***Cal. Civ. Code* 1788.60:** This section is a roadmap for how and when you can default the borrower when they fail to respond to your lawsuit.

- ***Cal. Civ. Code* 1788.61:** This section gives borrowers who are defaulted, fairly wide latitude to seek to set aside default judgments.

- ***Cal. Civ. Code* 1788.62:** This section lays out all the different categories of damages a borrower might sue for violations of the foregoing sections.

At this point, there does not appear to be clear guidance on whether the California law will apply to mortgage loans. The laws itself doesn't purport to but is essentially silent. Because the laws is relatively new, there are no appellate level cases that have evaluated the issue yet, but the expectation is that before long, someone will challenge it and an appellate Court will come down with a decision. The conservative approach is to make sure you

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comply anyway, however, the law seems to have a greater impact on older, consumer debt with poor documentation and most real estate loans hopefully will include most of, if not all of the information and documentation needed to comply with the law. The other requirements are probably best practices anyway when seeking to enforce a charged-off loan in CA. We are seeing more and more cases where the borrower files suit to avoid a HELOC or 2nd loan that they thought was charged-off years ago. The last thing the collecting creditor wants is an actual violation of the FDBPA turning an investment into a loss.

## Texas Debt Buyer Statute:

Texas has also enacted a law that pretty closely follows the California equivalent. This law is even newer than CA – it has only been around since 2019, so at this point, we just don't know how Texas Courts will interpret the law and whether Courts will conclude it applies to residential mortgage debt.

On June 14, 2019, Texas amended Chapter 392 of the Texas Finance Code dealing with debt collection. The amendments are effective September 1, 2019.

- The bill defines a "debt buyer" as "a person who purchases or otherwise acquires a consumer debt from a creditor or other subsequent owner of the consumer debt, regardless of whether the person collects the consumer debt, hires a third party to collect the consumer debt, or hires an attorney to pursue collection litigation in connection with the consumer debt."

- Excluded from this definition is "a person who acquires in-default or charged-off debt that is incidental to the purchase of a portfolio that predominantly consists of consumer debt that has not been charged off." "Charged-off debt" is defined as "a consumer debt that a creditor has determined to be a loss or expense to the creditor instead of an asset."

- Thus, it appears that the "debt buyer" definition is intended only to cover purchasers of portfolios of charged-off debt rather than purchasers of portfolios consisting primarily of current debts.

- The bill prohibits a debt buyer from commencing an action against or initiating arbitration with a consumer for the purpose of collecting a consumer debt after the statute of limitations has expired. It provides that if a collection action is barred by this prohibition, the cause of action is not revived by a payment or oral or written affirmation of the consumer debt.

- If a debt buyer is attempting to collect a debt for which a collection action is barred, the debt buyer or a debt collector acting on the debt buyer's behalf must provide a specified notice in the initial written communication with the consumer. The content of the notice varies depending on whether the FCRA time period for reporting the debt at issue has expired and whether the debt buyer furnishes information about the debt to a consumer reporting agency.

## Oregon Debt-Buyer Statute:

Oregon is another state that has enacted a debt-buyer law that similarly follows the California and Texas statutes. The Oregon law passed in 2017, just three years after the California equivalent took effect. Like the newer Texas statute, Oregon courts have not had long to interpret the law with regard to residential mortgage debt.

On August 10, 2017, Oregon amended Chapter 646 of the Oregon Revised Statutes dealing with debt collection. The amendments became operative January 1, 2018.

- The Oregon law shares with California and Texas similar definitions for "debt buyer" and "charged-off debt." It also similarly excludes persons who acquire charged-off debt as an incidental part of acquiring a portfolio of debt that is predominantly not charged-off debt.

- The Oregon law also prohibits a debt buyer from bringing an action against or initiating arbitration with a consumer for the purpose of collecting a consumer debt after the statute of limitations has expired. The law specifies the notice that a debt buyer must give to a debtor as well as the documents the buyer must give upon request.

- The law requires those who engage in debt buying in the state to obtain a license from the Director of Department of Consumer and Business Services. The director has authority to order a debt buyer to cease and desist from violating this law, impose civil penalty or take other action to remedy such a violation.

## Washington Debt-Buyer Statute:

Washington state has also enacted a debt-buyer law. The Washington law passed in 2020, so it is the most recently passed debt-buyer statute of the four discussed in this article. Since the law just took effect in the middle of last year, Washington courts have had even less time to interpret the law with regard to residential mortgage debt.

On March 18, 2020, Washington amended Chapter 19.16 of the Revised Code of Washington Annotated ("RCWA") dealing with collection agencies. The amendments became effective June 11, 2020.

- The Washington law defines "debt buyer" similarly as the three previous states except that it explicitly states that an entity may also be a debt buyer.

- Unlike the previous debt-buyer laws, the Washington statute does not exclude from the definition buyers who acquire charged-off debt as an incidental part of acquiring a portfolio of debt that is predominantly not charged-off debt. The law also does not define "charged-off debt."

- Therefore, a person that acquires charged-off debt, regardless of whether the charged-off debt is incidental to

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**Debt** – *continued from page 14*

or the primary focus of the acquired portfolio, may fall under the Washington statute definition of a "debt buyer."

- Like all previous debt-buyer statutes, the Washington law prohibits debt buyers from bringing an action against or initiating arbitration with a consumer for the purpose of collecting debt after the statute of limitations has expired.

- The law prohibits debt buyers from commencing legal action against a debtor without attaching to the complaint a copy of the contract or other writing evidencing the original debt that contains the debtor's signature. The law also lists a number of disclosures a debt buyer must give to the debtor when commencing legal action.

- Washington also prevents debt buyers from seeking default judgments on the debt unless they establish that they are owners of the debt amongst several other conditions.

The Oregon, Texas, and Washington statutes are all remarkably similar to the California law. The expectation is that Court's will soon clarify the applicably to residential mortgage debt, which will allow debt buyers to revise their due diligence and collection processes. The bigger question is whether even more states will follow California's lead, as they so often do, and establish their own Debt Buyer statute.

## Takeaways:

1. Prior to buying a pool that consists predominantly of charged-off consumer debt, consult an attorney to determine whether any of the states where the debt is located have debt buyer statutes; and

2. Prior to reaching out to collect any newly purchased charged-off consumer debts, consult counsel to make sure you are complying with the applicable debt buyer laws.

If you have any questions regarding these debt buyer statutes or how they may apply to a specific loan, please do not hesitate to contact Robert Finlay at *rfinlay@wrightlegal.net*.

Disclaimer: The above information is intended for information purposes alone and is not intended as legal advice. Please consult with counsel before taking any steps in reliance on any of the information contained herein.

*Zachary Fiene is an Associate Attorney at WFZ's California office. Robert Finlay is a founding Partner of WFZ.*


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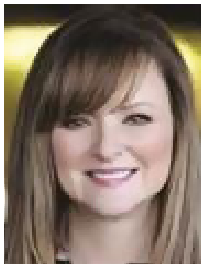


**Donna Muratalla**
**Genworth Mortgage Insurance**

# Got Solar? Questions to Ask When Underwriting a Home with Solar Power

Solar power is gaining momentum in the U.S., and we're moving towards incorporating this cleaner, more efficient source in many areas of our lives, including our homes.

Solar energy technology has come a long way in the last 100+ years: solar cell technology was first produced in the late 1800s, and solar panels as we know them today were created in 1954. Solar power has been part of some amazing feats, including the first round-the-world solar-powered flight in 2016 and the construction of the largest solar-powered railway bridge in London, England.

The good news is solar power has become more accessible to the average consumer, and more homeowners are incorporating solar panels into their homes. In the U.S., California is leading the pack with over one million solar units installed in homes as of 2019. This number is growing, especially with California legislation requiring most new construction homes, built January 2020 and onward, to incorporate solar energy measures. Many states have incorporated solar power into their legislation, as well.

Whether you're originating or underwriting loans in California or other states with a strong solar power presence, there are some questions to consider when gathering data during the processing of the file.

### Questions to Ask When Originating or Underwriting a Home with Solar Power

When your borrower is considering purchasing or refinancing a home with solar panels, there are some specific questions you'll want to ask upfront.

### What is the ownership and debt financing structure of the solar panels?

If the borrower owns, or will be the owner of the solar panels (cash purchase; included in the purchase price; financed previously and now paid in full OR secured by the first mortgage) you will typically be able to verify via title and solar-related credit report debt. The solar panels may be included in the value.

### Are the panels leased or owned outright?

You will want to obtain a copy of the Power Purchase agreement or lease agreement. If you're looking at a property with leased panels, the value of the panels may not be included in the appraised valuation.

Further, if the panels are leased, you'll need to determine the monthly payment amount and incorporate that amount into the ratios unless the lease provides delivery of specific amount of energy at a fixed payment during a given period and has a production guarantee that compensates the borrower on a prorated basis in the event the solar panels fail to meet energy output required during the lease period.

### Does the home maintain access to electrical utilities consistent with community standards?

This answer must be "yes" in this case.

### Is there a Property Assessed Clean Energy (PACE) loan?

If the PACE loan is structured as a subordinate lien or unsecured loan, it may be GSE eligible. If the PACE loan is not expressly subordinate, it is ineligible. PACE loans dated prior to July 6, 2010, may also be eligible. Got to *https://selling-guide.fanniemae.com/Selling-Guide/Origination-thru-Closing/Subpart-B5-Unique-Eligibility-Underwriting-Considerations/Chapter-B5-3-Construction-and-Energy-Financing/* for more information.

### Is the Solar Panel loan unsecured?

If so, obtain the invoice to verify solar panels were installed at the subject property site.

### Check the Appraiser's Requirements

In addition to the above questions, you'll want to ascertain the appraiser has accurate information about the ownership structure of the solar panels to:

- Review the complete contract and comment on the terms
- Be familiar with energy reports and ratings and include the information in the report

*continued on page 25*

## Solar – *continued from page 24*

- Provide comparable sales to support, if available
- If no similar sales are available, the income approach, cost analysis, discounted cash flow or market surveys may be appropriate.

### Be Flexible When Underwriting the Collateral

One final recommendation is to remain open-minded when considering appraisals that may lack solar panel comparable sales. Some markets just may not have sales with similar energy sources during this time of solar growth.

If you have any questions regarding underwriting properties with solar panels, or other interesting scenarios, please reach out to your Genworth Regional Underwriting team to discuss them. We're always happy to assist you!

*Donna Muratalla is Genworth Mortgage Insurance's Pacific Northwest Regional Underwriting Manager. She is a Certified Residential Underwriter with 28 years in the MI industry. She specializes in HFA and Risk review.*

# MEMBER SPOTLIGHT:

# Donald Hensel

**Angelica Gardner**
**Asher Evan Investments**

*The California Mortgage Association turns the spotlight on members who are making an impact in their professional field and around the Association. These members exemplify the mission of the CMA. We know that our members are one of the most important aspects of this Association, and we work hard to feature outstanding members. This quarter, the California Mortgage Association turns the spotlight on member **Donald Hensel**, President of North Coast Financial located in Oceanside, California. Donald has been a member of the California Mortgage Association since its inception. In addition to being a longtime member, he has also volunteered his time to many CMA committees, seminars, and panels. He was on the Summer Seminar Committee when it was formed 10 years ago and was a panelist or moderator at each of those summer seminars. Donald has also served on the Nomination Committee, which he was the chair twice, the Bylaws Committee, and he is currently on the Consumer Lending Focus Group Committee. We are grateful to have Donald as a member and are excited for our members to learn more about him.*

### Q Tell us a little about you, your family, hobbies, etc.

**A** After growing up in Illinois and graduating from the University of Illinois and Northwestern (MBA), I started my career at Procter and Gamble. In 1978 they made the mistake of transferring me to California and I never went back. My wife (Anne) and I live in Oceanside and my son (Jeff) lives in San Diego. I love to bike ride, play golf and play pickleball. For the last 30 years, I have been the treasurer of our youth soccer club in Oceanside. I am an amateur woodworker and I am also a registered tax professional which keeps me busy during tax season.

### Q What do you do for work? What is your typical day like?

**A** Since I am involved in every aspect of the business, my day includes everything from loan negotiations, processing and document preparation to loan servicing and customer relations. My typical day involves setting priorities on whatever tasks need to be done that particular day and making sure they get accomplished. The top priorities are always progressing loans towards closing and the timely disbursement of payments to lenders. Fortunately, my son Jeff joined the company six years ago which has been

*continued on page 27*

a great benefit to our business. Much of my day is on the phone with him since the two of us are the loan committee.

**Q How did you find yourself working in this industry? Was it love at first sight or a longer path?**

**A** After P&G moved me to Northern California, I started to talk with my college roommate who had moved to the San Diego area to join a relative in the hard money lending business. I had a strong interest in real estate and my education was in finance so hard money lending was very intriguing to me. Long story short, I moved to Southern California to join that business and then later started my own business.

**Q Who is your ideal/target customer?**

**A** We are always looking for any borrower with good collateral along with a reasonable loan request and exit strategy. We lend throughout the state but we avoid rural areas. Since we are NMLS licensed, we do a significant volume of consumer loans. Our favorite consumer loan is a bridge loan to someone who has significant equity in their current residence and needs cash to purchase a new residence.

**Q What sets your company apart from others?**

**A** Since our slogan is "Our Professionalism Sets Us Apart," I would say professionalism. We take seriously our fiduciary duty to both the lender and borrower and our reviews show it. It's not unusual for us to spend time helping a borrower find a solution to their problem even after we have decided not to approve their loan request. Treating borrowers and lenders with the time and respect that they desire can be time consuming but it pays dividends in the end.

**Q How long have you been a member of the CMA? Why did you join the CMA?**

**A** I joined CIMBA (California Independent Mortgage Broker Association) in the mid-'80s primarily for the educational seminars. I was a founding member of CTDBA (California Trust Deed Broker Association) and was on the Board of Directors. As a member of that board, I worked on the merger with another mortgage association to form CMA. I highly value the education, networking and relationships that I have developed through these organizations. My actions speak louder than words. In 35 years I have missed only one educational seminar and that was because it conflicted with my honeymoon. I made the right choice missing that seminar!

**Q Knowing that you have attended many CMA seminars, what is one thing you look forward to the most at each event?**

**A** I can't pick just one thing. The education through the seminars is invaluable as well as learning new ideas (and mistakes to avoid) when talking with other members. Being with life-long friends and meeting new people is a highlight of every seminar.

**Q Since the COVID-19 stay at home order was implemented, how has your work been impacted by the shutdown/economy?**

**A** When the shutdown hit, we kept busy with the existing pipeline. After the initial "deer in the headlights" moment passed, we began to realize that the California real estate market was mostly not impacted by COVID and our business has continued strong. Since I am currently not meeting with clients in person, the biggest change for me is that my business casual attire at work has changed to just causal!

**Q Describe your idea of a perfect day. Where would you be? Who would you be with? What would you be doing?**

**A** My perfect days are during my annual vacation in Hawaii with my wife. I spend an hour or two responding to emails and other work matters and then a full day of fun and relaxation.

**Q What is the last app you downloaded on your phone and why did you download it?**

**A** I downloaded a golf app that is connected to my clubs. Since my clubs have GPS sensors, after a round I can review every shot including the club used and the distance hit. Non-golfers will think "so what?" Golfers will think "that is cool!" We need to utilize technology to our benefit in both work and play.

# STRICKTLY STRICKLAND

**Pamela J. Strickland**
**California Compliance Consulting**

## Be Careful What You Say and How You Say It. Choose Your Words Carefully!

The most common way of interacting with clients in this day and age is through e-mails, especially as we navigate business dealings in the age of COVID. It is incredibly important that in each communication our words are chosen carefully.

When the DRE requests copies of files during an investigation or audit, they ask for all e-mails, letters and conversation logs related to the transaction(s). Many times I'm contacted by brokers and attorneys to review files before submission to the DRE and I'm often shocked by the content and how the licensee didn't think it through before writing it down.

Several years ago I was hired by an attorney to review a file in which the borrower was claiming that the broker had discriminated due to race. Even though there was nothing in the evidence to show that there was racial enmity, the conversation log had this entry from the loan officer to the processor: "This borrower is a real bitch. Charge her 2 points instead of 1 point." In plain language, this was in the conversation log that was a part of the file. Even though this is an over-the-top example, it is the type of thing that without thinking it through (and being incredibly stupid, to boot) can get you in a world of hurt.

In another instance, the broker needed a Profit and Loss statement from the borrower. He sent an e-mail to the borrower asking him to "make one up" and send it to him ASAP. The broker was merely asking the borrower to "prepare" a bona fide and accurate statement for inclusion in the loan file, but several years later when the loan was part of a lawsuit brought by the borrower's heirs they claimed that the broker instructed the borrower to make a false P&L. Once the DRE started to investigate (after the borrower's heirs reported the broker to the DRE), the first question from the DRE Special Investigator was "During the loan process or refinance, did you ever instruct the borrower to make a false profit and loss statement? If so, explain in detail."

In still another case, the loan officer blatantly wrote in the conversation log in an instruction to the processor "The rental agreement provided by the borrower doesn't show enough income. Create a new lease that shows an additional $500 a month and shred the other one."

I know that these examples seem far-fetched and you are sitting there thinking "Who would do something like this?" but I need for you to think about things you might write that could be misconstrued.

The following tips regarding e-mail communications are from Setliff Law in Glen Allen, Virginia, and are worthy of your attention and adherence.

1. **E-mail Messages Are Business Records.**
   Mr. Setliff suggests that you remind employees in your company e-mail policy (and, yes, you should have a written e-mail policy!) that e-mail messages are official business records subject to corporate retention requirements and discovery. Further, he writes, that you remind employees that all e-mail communications, including internal e-mail communi-

*continued on page 29*

## Strickland – *continued from page 28*

cations, should reflect the same professionalism and attention to detail that would be afforded other forms of written communication. Obviously, if you wouldn't put it on letterhead, it doesn't belong in an e-mail (or conversation log)!

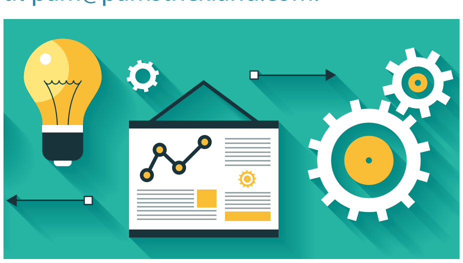
**2. Label legitimate communications as "Privileged & Confidential – Attorney Client Communication."**
Attorney Setliff writes that all communications to your lawyer are privileged, but such a label on potentially privileged documents may help highlight your intention and draw the attention of the reviewing attorney.

**3. Avoid exaggeration and inflammatory rhetoric.**
Superlatives and dramatic language may be useful in getting your point across, but may also take on a life of their own in litigation.

**4. Watch forwards and attachments.**
These are discoverable too.

**5. Consider public perception.**
And, lastly, those of you who have heard me speak on this subject know that I always say (as does Mr. Setliff): "Don't write anything you wouldn't want shown to the judge and jury on an eight-foot screen projected on the wall in the courtroom!"

*Pam Strickland is the owner of California Compliance Consulting in Santa Barbara and assists brokers with DRE licensing and compliance. She can be reached via e-mail at* pam@pamstrickland.com.



## President – *continued from page 2*

writing your loans in this type of market. Be careful of the roller coaster rush of being able to write a loan today because of the lower LTV that you wouldn't have written six months ago.

Really get a feel of the values in your area, where they were and where they are going and how quickly. Perhaps you always were writing at 70% LTV. Today, you may want to be more conservative. Although the market seems like it won't be adjusting anytime soon since the rates are staying low for at least a year or more, so say the feds, and the building of homes hasn't caught up with demand, the building will catch up and unless you are writing very short term loans, your loan could get caught up in that. In some areas, tens of thousands of new homes are being built for the current demand. Many of you remember how many developments were only partially complete when the last downturns occurred.

Also, remember that foreclosures have been held in abeyance by the GSEs and government loans since March 2020. They will continue to hold off until March 31 and June 30 respectively, perhaps longer. But they cannot hold off forever. The market will eventually need to march forward.

This message is not here to "flatten your roller coaster ride" but written simply to caution the young and the very ambitious to review the increase of value in your particular area that you are lending. When you get your current appraisal, think about what that home was probably worth a scant six months ago and what you would have loaned then. I urge you to talk to the members who have been in business since before 2005 and see what they would have done differently from 2005 to 2007, if anything. What saved them and their business. No one has a crystal ball and this writer is not here to discourage the writing of loans but just to remind the members to be cautious. This is a livelihood that you plan on being in for many years to come. Riding up the roller coaster is so exciting; it is the little dips that give us a reminder of what could be and what to be ready for.

## Capitol – *continued from page 5*

- **SB 449: Financial Institutions Climate Risk**
  This bill would require institutional lenders and certain California Finance Lenders to submit an annual report to the Department of Financial Protection and Innovation about climate-related financial risks in their portfolios. The bill is not specific about which types of climate risk are to be evaluated, nor what authority the DFPI would have once the information is provided.

- **SB 531: Debt Collection**
  SB 531 would extend to debt collectors, broadly defined in the bill to include servicers of first-party debt, many of the requirements presently applicable in present law only to debt buyers. The bill would apply to efforts to collect delinquent debt, prior to charge-off. The new provisions would be inserted in the Rosenthal Fair Debt Collection Practices Act.

Stay tuned for updates on these and many other bills, and thank you for your support of CMA-it matters!

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12. By signing this contract, advertiser agrees to pay in full for reserved space, even if the ad is not run due to lateness or absence of materials.

## PAYMENT TERMS

Advertisers are billed after their ad appears. A frequency discount is given to those who agree in writing (ie. this signed contract) to advertise in every issue of the calendar year, or in an equal number of consecutive issues. If the written agreement is not fulfilled, the advertiser is liable for the one-time rate charges. Advertisers who submit an ad contract but fail to submit artwork by the publication deadline will be invoiced.

## PLACING YOUR AD

To place an ad, complete the form below and mail or fax to: CMA, 2520 Venture Oaks Way, Suite 150, Sacramento, CA 95833 • (916) 924-7323 - fax. ***Do not e-mail.*** CMA will not run your ad without this contract.

**Name of Company/Organization Being Advertised:** ______________________
Billing Contact: ______________________ Billing Address: ______________________
Phone: ______________________ Fax: ______________________ E-mail: ______________________

**Agency or Advertising Representative** (if different from above): ______________________
Phone: ______________________ Fax: ______________________ E-mail: ______________________

**Person to Contact with Artwork-specific Questions** (if different from above): ______________________
Phone: ______________________ Fax: ______________________ E-mail: ______________________

I agree to place a ____________ size ad in the following issue(s), and to be billed at a rate of $____________ per issue: (note: The multiple-issue rate can apply to *any* consecutive series of issues starting at any point in the year. If you choose the multi-issue rate, please number your first issue "#1" below, and the other issues as they occur chronologically. See condition #5, above.)

| | _____Summer '21 | _____Fall '21 | _____Winter '21-'22 |
|---|---|---|---|
| **Material Deadlines:** | **5/22/21** | **8/13/21** | **11/12/21** |

## METHOD OF PAYMENT

**Total $**__________ **Please check one:**
☐ Send me an Invoice ☐ Enclosed is check #________(Payable to California Mortgage Association) ☐ Charge my Card ○ MC* ○ Visa* ○ AmEx*
Last 4 digits of card: ____________ Billing Address: ______________________
Print Cardholder's Name: ______________________ Signature: ______________________
*Do not e-mail credit card information; mail or fax only.

(rev. 4/21)

Full Credit Card# ______________________ Exp: __________ CVV#: ________

***Return completed form and payment by mail or fax to:*** **California Mortgage Association, 2520 Venture Oaks Way, Suite 150 • Sacramento, CA 95833 • (916) 924-7323 – fax**
**For more information, contact us at: (916) 239-4080 – phone • (916) 924-7323 – fax •** ***www.californiamortgageassociation.org***

# Membership Application

Name: ______________________________

Company: ______________________________

Address: ______________________________

City: ______________________ State: ________ Zip +4: __________

Day Phone: ______________ Mobile Phone: ______________ Fax: ______________

E-Mail: ______________________________

Annual Gross Closings: $ ______________ Referred by: ______________

**PLEASE LIST ALL LICENSES HELD:**

License No. Regulator/Issuer (i.e., DRE, NMLS, etc.)

______________ ______________________________

______________ ______________________________

______________ ______________________________

______________ ______________________________

**Has your license or that of an affiliated company ever been suspended or revoked or have there been any complaints within the last ten years? If yes, please provide details:**

______________________________

______________________________

**Tell us about your professional work history:**

______________________________

______________________________

______________________________

**Tell us about your current company history and business focus, branches, employees, and other pertinent details:**

______________________________

______________________________

______________________________

**How did you become aware of CMA?**

______________________________

______________________________

**Do you know other CMA members? If yes, who?**

______________________________

______________________________

**PROFESSIONAL REFERENCES**

**Name** ______________ **License Number** *(if a licensee)* ______________
**Firm Name** ______________
**Relationship** ______________
**Phone** ______________ **E-mail** ______________

**Name** ______________ **License Number** *(if a licensee)* ______________
**Firm Name** ______________
**Relationship** ______________
**Phone** ______________ **E-mail** ______________

**Name** ______________ **License Number** *(if a licensee)* ______________
**Firm Name** ______________
**Relationship** ______________
**Phone** ______________ **E-mail** ______________

(revised 8/11/16)

## Power of Membership

**MISSION STATEMENT**

**The California Mortgage Association is committed to providing legislative advocacy, legal resources and education programs for our members to enhance their professionalism. We believe that the public good is served when professionals serve the public.**

**Regular Member**

Any reputable individual, sole proprietorship, corporation, limited liability company, or partnership primarily engaged in the Mortgage Business in the state of California.

**Affiliate Member**

Any reputable individual, sole proprietorship, corporation, limited liability company or partnership who regularly provides services or products to persons engaged in the Mortgage Business.

**Educational Member**

Any reputable individual, sole proprietorship, corporation, limited liability company or partnership engaged in the Mortgage Business who is not subject to the provisions of Business & Professions Code § 10232(a)-(b) ("threshold broker"), or under any successor statute.

**In which CMA Committee or Committees are you interested?**

☐ **Membership** ☐ **Dodd-Frank** ☐ ***Points of Interest* Magazine** ☐ **Advertising/Vendor** ☐ **Education**

☐ **Continuing Education** ☐ **Legislative** ☐ **Other**

**I would be interested in participating in the following focus group:**

☐ **Commercial:** For those members whose interest is commercial finance. While we meet as a whole, we have organized into two chapters – Northern and Southern California. Select the location where you do the most lending.

☐ **Northern CA** ☐ **Southern CA**

☐ **Securities:** For those members who are using "non-DRE" methods of raising capital for your loan investments or would like to learn more about securities like pools and permits.

☐ **Consumer:** For those members who are arranging owner-occupied 1-4 unit loans, want to stay up-to-date on the laws and invent new possibilities in this lending arena.

I hereby make application for membership in the California Mortgage Association and pledge myself, if accepted, to abide by the requirements of their By-Laws and Code of Ethics as they are now and as they may be amended. Applicant acknowledges that the use of the Association logo is exclusive to members only, and applicant agrees to cease utilizing the logo upon termination of membership. By becoming a member, applicant authorizes CMA to send information on products and services by phone, fax or e-mail under U.S.C. 47 sec. 227. Applicant certifies that the foregoing information and annual gross closings are correct.

**Signature** *(required)*________________________________________

**DUES PAYMENT OPTIONS: Dues are based on your annual gross closings. Please select one:**

☐ **Regular Member —** ($1 million and above per year): $125/month

☐ **Affiliate Member —** Billed Annually (No voting privileges): $500/year

☐ **Educational Member —** (Open to non-threshold and sales individuals. No voting privileges): $75/month

**Mail Application with Payment to:**

2520 Venture Oaks Way, Suite 150 • Sacramento, CA 95833

If paying by credit card, you may fax to: (916) 924-7323 • Questions? Call (916) 239-4080 or visit *www.californiamortgageassociation.com*

**Contributions or gifts (including membership dues) to CMA are not tax deductible as charitable contributions. Pursuant to the Federal Reconciliation Act of 1993, association members may not deduct as ordinary and necessary business expenses, that portion of association dues dedicated to direct lobbying activities. Based upon the calculation required by law, 18% of the dues payment only should be treated as non-deductible by CMA members. Check with your tax advisor for tax credit/deduction information.**

**MAKE CHECKS PAYABLE TO: CALIFORNIA MORTGAGE ASSOCIATION**

**Credit Card Authorization:** ☐ VISA ☐ MasterCard **Amount to Charge: $**__________ **Last 4 Digits of Card:** ______

**Cardholder's Name:**________________________________________

**Carholder's Signature:** ________________________________________

**Billing Address** *(if different)***:**________________________________________

**City:** __________________________________ **State:**________ **Zip +4:**____________

CMA offers a convenient automatic payment plan for your membership. Dues will be charged to your credit card on the 1st of each month. The first month's payment or annual dues payment is required to activate your CMA Membership. By signing below you authorize the California Mortgage Association to initiate credit card charge(s) to remain in full effect until written notification from you is received by CMA, in accordance with the terms and conditions contained herein.

**Monthly Payment: $**________ **Signature:** ________________________________ **Date:**__________

**Full Credit Card Number:**____________________________ **3-4 Digit CVV:** ______ **Expiration:**__________

ROUNDABOUT THEATRE COMPANY

# I GOTTA HOME

May 7–10, 2021

## Odell Murry has granted permission to The Roundabout Theatre Company in New York City to showcase the play *I Gotta Home* by Shirley Graham Du Bois

**It's first major presentation in over 80 years! You are invited to attend the online reading of this play, directed by Steve H. Broadnax III, free of charge!**

**Register in Advance at *IGOTTAHOME.com***

**Shirley Graham Du Bois, married to the highly influential civil rights activist and historian W.E.B. Du Bois, was considered a 20th century Renaissance woman, who advanced civil rights and the arts in multiple countries, and authored an opera, numerous plays, and many biographies that illuminated the Black experience in America. She is considered an integral figure in Black theater, and a cherished defender of human rights throughout the world. Odell Murry holds the rights to the Du Bois estate.**

**California Mortgage Association**
2520 Venture Oaks Way
Suite 150
Sacramento, CA 95833

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