



REALTORS

WHY SHOULD YOU CARE ABOUT HB 1222 AND HOW YOUR STATE SENATOR VOTES?



The Federal Reserve Board rejected restricting lender compensation as a part of the new index. Yet the North Carolina House of Representatives adopted the new Federal rate spread index and kept lender compensation restrictions!

Consider; if HB 1222 is adopted as passed by the House, the impact on North Carolina housing will be severe:

- **IT WILL IMPACT YOUR SALES.** In order to sell homes you need to have options for home buyers. HB 1222 eliminates those. Many niche lenders now doing business in North Carolina do so only through third party origination (TPO) channels. HB 1222 will severely restrict, possibly eliminate those channels.
- **IT WILL IMPACT EMPLOYMENT.** This is one of those “no brainer” statements. Less homes sold, less agents, less builders, less mortgage personnel, less groceries, etc. = less ability to buy homes.
- **IT WILL IMPACT CONSUMER CHOICE.** Right now consumers have choices when they purchase a home - VA, USDA, FHA or conventional loans. Many of their choices will be eliminated by HB 1222 because it eliminates the motivation for mortgage companies to deliver many of those choices.
- **IT WILL IMPACT NORTH CAROLINA’S RECOVERY BY LIMITING THE FLOW OF MONEY TO NORTH CAROLINA.** North Carolina needs money to recover. HB 1222 places limitations on home loans that will lead many lenders and loan originators to pull out of certain markets in North Carolina.
- **IT WILL LEAD TO MORE FORECLOSURES.** Is your market already in a foreclosure glut? If HB 1222 passes, this may just be the beginning! Current homeowners who have interest only loans, adjustable rate mortgages or balloon notes may not be able to refinance out of those loans. Foreclosure may then be their only option.

We are in this together. The answer for North Carolina is to adopt the Federal Rule in its entirety, not just in part. Call your state Senator today and tell them to amend HB 1222 to conform to Federal law.