



# State of North Carolina

OFFICE OF THE COMMISSIONER OF BANKS

MICHAEL F. EASLEY  
GOVERNOR

## Memorandum

JOSEPH A. SMITH, JR.  
COMMISSIONER OF BANKS

To: All Licensed Mortgage Bankers and Brokers

From: Mark Pearce, Deputy Commissioner of Banks

RE: Legislative Update -- Part II

Date: October 31, 2007

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After my legislative letter to you on July 16, 2007, the General Assembly enacted two bills regarding mortgage lending in addition to the legislation on mortgage fraud (H.817) and the identification of mortgage originators (H.313). The first of those bills is H.1817 [<http://www.ncga.state.nc.us/Sessions/2007/Bills/House/HTML/H1817v6.html>] and represents a major update to North Carolina's predatory lending protections and mortgage regulation. I have included a summary of that legislation for your information. This legislation has an effective date of January 1, 2008. There may be some aspects of this legislation that may require additional guidance. If you see particular aspects of the legislation that need further clarification, please contact David Worth, staff attorney for our Mortgage Division, at 919-733-3016 or at [dworth@nccob.org](mailto:dworth@nccob.org).

The second legislative update is the enactment of H.1374 [<http://www.ncga.state.nc.us/Sessions/2007/Bills/House/HTML/H1374v7.html>], which primarily addresses servicing, foreclosure, and debt collection issues for residential mortgage loans. This legislation imposes additional responsibilities on mortgage loan servicers to provide timely information to homeowners regarding their mortgage account, as well as additional disclosures if the homeowner faces foreclosure. In essence, this legislation creates a state version of the "qualified written request" (or "QWR") required under the federal Real Estate Settlement Procedures Act (RESPA). This law goes into effect on April 1, 2008.

As a reminder, the mortgage fraud legislation becomes effective on December 1, 2007, and the legislation requiring the identification of mortgage brokers on residential deeds of trust becomes effective on April 1, 2008.

I hope this update has been useful. If you have any questions, concerns, or suggestions, please do not hesitate to contact me at [mpearce@nccob.org](mailto:mpearce@nccob.org) or Charlie Fields, the Director of our Mortgage Division at [cfields@nccob.org](mailto:cfields@nccob.org), or at 919-733-3016.