

THE SPREADSHEET

[HTTP://COMMUNITY.RMAHQ.ORG/PUGETSOUND/HOME](http://community.rmahq.org/pugetsound/home)

January 2014 Volume 2

INSIDE THIS ISSUE:

<i>From the President</i>	1
<i>CEO Night</i>	1
<i>Dinner Meetings</i>	1
<i>National Classes</i>	2
<i>New Mortgage Rules</i>	2
<i>Sponsors</i>	2

UPCOMING MEETINGS

Feb 4	CEO Night
March 4	Rick Riccobono
April 1	Steve Hovde
May 6	

Watch your email for more details.

OFFICERS

President

Conrad Wouters
Evergreen Home Loans
425-999-4142

Vice President:

Brian Rockey
Peoples Bank
206-297-2834

Secretary/Treasurer:

Carmen Malsbury
Whidbey Island Bank
425-394-4460

Administrator:

Bonnie McGoldrick
Secretarial Assistants
206-282-0158

FROM OUR CHAPTER PRESIDENT

This is the time of year when there are Economic presentations regarding National and Puget Sound 2013 results, and we can get some ideas of how the local economy could proceed in 2014. For the first time in many years there seems to be consistent optimism for Puget Sound: Employment is improving in most sectors, housing prices are on the rise, interest rates are still low, and we are seeing many more large construction projects in the Seattle area. **Matthew Gardner** did a superb presentation at our October 1st meeting (here is a [link](#) to his charts and graphs), and **John Mitchell** offered his insightful perspective at our Dec 3rd meeting.

At RMA while we are encouraged by such growth opportunities, we need to keep in mind the inherent risks in banking the local economy,

and we hope that our dinner meetings and discussions offer some added perspective to enable you and your institution to have long term successful credit policies.

Speaking of offering perspective, we are excited to have such an [excellent panel](#) for our **February 4th CEO Dinner Meeting**: the discussions should offer some valuable insights. Sometimes I think of RMA as a special tribe, with a reason we have leaders named Chief: Chief Executive Officer, Chief Credit Officer, and others to whom we need to listen. Our Chiefs can provide wisdom and guide us all not only to strong credit policies but also how we should act in our community. Even with all the new regulations there are many opportunities to improve how we interact with our clients and community leaders while maintaining

sound risk management policies.

As always, please contact me or any of our Board members if you have any comments or ideas about improving our programs.

I also wanted to give **Special Thanks** to our **sponsors** who have allowed the Puget Sound Chapter of RMA to improve the quality of our dinner meetings.

Best Regards,

Conrad Wouters



cwouters@evergreenhomeloans.com
425-999-4142

Annual CEO Night

February 4, 2014 Chapter Dinner Meeting

"Building Trust in Banks: Improving Public Image, Community Involvement and Media Relations" Featuring a conversation with our Distinguished Panel

Melanie Dressel	President & Chief Executive Officer	Columbia Bank
Chris Heman	President – Washington State	U.S. Bank
Brian Vance	President & Chief Executive Officer	Heritage Bank
Cort O'Haver	Senior Executive Vice President	Umpqua Bank
Moderator: David Straus	EVP, Commercial Banking	HomeStreet Bank

RMA Member Fee \$85.00 - click on link to pay using PayPal

https://www.paypal.com/cgi-bin/webscr?cmd=s-xclick&hosted_button_id=W6X39K4MZDQLL

Non-Member Fee \$95.00 - click on link to pay using PayPal

https://www.paypal.com/cgi-bin/webscr?cmd=s-xclick&hosted_button_id=QAL9CNZ6Q2SYL

**EDUCATION
PROGRAMS
2013-2014
NATIONAL CLASSES**

February 12, 2014

Understanding &
Interpreting
Appraisals of
Commercial Real
Estate

**March 11-12,
2014**

Cash Flow Analysis
II: Applied
Concepts

April 4, 2014

Analyzing
Construction
Contractors

May 12, 2014

Asset-Based
Lending for Non-
Asset-Based
Lending

All classes are to
be held at
Evergreen
Business Capital,
13925 Interurban
Avenue, #100,
Seattle, WA
98168.

For more info:
Andy Niemer
206-436-2420
Andy.niemer@becu.org

NEW QUALIFIED MORTGAGE RULES

The Consumer Financial Protection Bureau (CFPB) was created by the Dodd-Frank Act in 2010. The CFPB is actively working to establish specific regulations which enforce the provisions established by the Act. In January 2013, the CFPB issued a directive to establish a new category of mortgage loans referred to as Qualified Mortgages (QM) and created specific rules effective January 10th 2014. The CFPB followed with clarifications in May, July, and September (creating a total of over 1,200 pages in regulations). The intent of QM is to establish consistent underwriting rules to ensure the consumer has a reasonable ability to pay the loan as agreed as defined by the Ability-To-Repay rule. It also provides a "Safe Harbor" for lenders when fully utilizing the rules: when a mortgage loan is classified as a QM loan it limits the ability of consumers to commence a lawsuit in the event of a

foreclosure. Also, being a higher quality loan, it could result in higher value for the resulting mortgage investment pools.

Mortgage lenders and their compliance teams have been analyzing thousands of pages of regulations to create a specific policy for the mortgages they generate. Many of the new rules are confirmation of some responsible mortgage lending practices already in effect, and QM establishes industry conformity for a defined package of loans. Some banks and mortgage lenders may decide to only book QM loans to take advantage of the Safe Harbor and improve the investment quality of their mortgage securities. For QMs that are "higher priced" (with higher than average rates) lenders get "rebuttable presumption protection" that they met the Ability-To-Repay rule. Consumers can rebut that presumption: To prevail, the cus-

tomers must show that based on the information available at the time the mortgage was made the consumer did not have enough residual income left to meet living expenses and pay other debts after paying the mortgage payment.

What does this mean to consumers?

The QM underwriting guidelines are very specific which means homebuyers need to provide more documentation (subject to third party verification) and will have loan size limitations set by Debt-To-Income ratios. To be classified as a QM Loan, there are many rules, for example:

*The maximum lender points and fees is 3.0% for loans \$100,000 and higher. See link [here](#).

EVENT SPONSORS 2013-2014

YOU COULD BE A SPONSOR



www.accessbusiness.com



www.accessbusiness.com



www.parkeassociates.com



www.revitalizationpartners.com



www.riddellwilliams.com



www.riley-group.com