IMS
Integrated Mortgage Solutions

July 14, 2009

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Attention: OTS-2009-0004
Washington, DC 20552

Dear Sir or Madame:

Please allow me to introduce myself. I am writing on behalf of Integrated Mortgage Solutions (IMS), and I serve as President and Chief Executive Officer. The company provides collateral protection resources for the real estate servicing industry and was created with the sole purpose of assisting mortgage servicing entities effectively manage defaulted and damaged properties. Among many objectives, IMS prioritizes reducing costs associated with these responsibilities, minimizing current and potential risks, and reducing administrative burdens and resource allocations.

IMS has also shouldered, enthusiastically and professionally, the additional responsibilities of engaging in loss mitigation, loan modifications and REO disposition. While we strive to serve our clients diligently, we also consider it a privilege to offer assistance and expertise to borrowers and virtually all parties that are negatively impacted by the current economy and housing market.

As a Houston, Texas-based company with exposure to our industry on a national level, the staff at IMS can certainly relate to economic downturns and the impact of severe weather and other unforeseen contingencies which can have dramatic impacts on housing and create hardships for families that strive for a better life. We do hold ourselves to a "higher standard" in regard to the consumer, and make every effort to not only serve their interests to the best of our ability, but to ensure that all IMS employees and contractors are sensitive to their concerns. We genuinely do have empathy for those that we assist and we demonstrate that trait in all of our business dealings...every day.

With that background in mind, we at IMS appreciate the intent and effort that has gone into the Agencies' proposed rule, specifically the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the SAFE Act). We also appreciate the fact that through numerous questions, the Agencies are seeking to develop a workable system for Agency-regulated registration, and we recognize that it is concerned that the rules must be clarified to assure that the purposes of SAFE are carried out.

As a national provider to the industry's servicing segment, we are also concerned that unless the Agencies are clear that their rules exclusively cover employees of Agency-regulated institutions under SAFE, various provisions may result in state regulation of

Agency regulated institution employees. Such an outcome would result in a patchwork of requirements for employees that is inconsistent with SAFE's design. We have

additional concerns that these same or similar requirements may be considered applicable to servicers...as well as entities such as IMS that strive to serve as effective and efficient third party providers.

Given our understanding of the regulations proposed June 9, 2009 (the Proposed Regulations", or "Proposed Rules"), particularly with respect to the definition of mortgage loan originator, dedicated and proclaimed servicers may now be subject to the initial provisions, which were intended to pertain to federally regulated lending institutions...pursuant to the SAFE ACT and as defined in Section 3 of the Federal Deposit Insurance Act.

IMS certainly supports SAFE's purposes of increasing uniformity, reducing regulatory burden, enhancing consumer protection and reducing fraud by establishing licensing requirements for state regulated mortgage bankers and brokers (mortgage originators) and required registration of both Federally regulated and state regulated mortgage originators. We believe that SAFE was designed so that federal agency regulated institution mortgage originators would be required to be registered, but not be subject to state licensure and that a parallel system for licensing of mortgage originators would be developed by the states that would include a state registry.

Such a model recognizes the need for higher standards nationwide and the fact that currently federally regulated financial institutions and their mortgage originators are more consistently regulated under current law than mortgage originators regulated by the states.

In addition, as we strive to support and actively participate in the various programs currently implemented to assist borrowers and stabilize homeownership, it is clearly evident that the numerous caveats and guidelines are well-defined and certainly limit any frivolous or unnecessary underwriting criteria, negotiations, setting of terms, etc. With these limitations in place, deemed appropriate and necessary by IMS, it is also abundantly clear that staff engaged in loss mitigation, modifications, and even the final disposition of REO, are not "mortgage loan originators" by definition and neither they, nor their employers, should be held to the proposed licensing and registration standards, subjected to the arduous personal disclosure, or otherwise included in the regulatory framework as eventually implemented.

However, without clear language in any final rule, a de minimis exception from registration for certain agency-regulated institution employees could open those excepted to state regulation. Similarly, there may be no legal or policy basis to treat agency-regulated servicer employees involved in loss mitigation as mortgage originators for purposes of SAFE. If loss mitigation experts are not carefully excepted from federal registration requirements under these rules they, too, could be subject to state regulation. The following comments indicate that it must be made clear that servicers, as well as third party providers to those servicing entities, are excepted from registration rather than simply excluded from Agency coverage.

Further, even the best intentioned provisions for measured implementation of these rules and appropriate provisions for a grace period prior to registration could result in state coverage if not properly addressed.

Accordingly, we might suggest modifications that help address these concerns, including but not limited to new language in the purpose provisions of the rule and a clear definition of "employee," as well as suggestions for the de minimis, servicer and implementation provisions.

Section ___.101---Authority Purpose and Scope

Revise the Purpose provisions of the rule to make clear that the rule covers employees of Agency-regulated institutions for determining the extent to which such employees must register.

Revise the de minimis exceptions in the final rule to avoid unnecessary coverage of loan originators that do not ordinarily originate mortgage loans along with the establishment of new purpose provision at 1 above and new definitional sections below.

Section___.102---Definitions

Define the term "Employee" to include all employees, agents and contractors of Agency-regulated institutions.

Define the term "Mortgage Originator" to explicitly exclude employees involved in servicing functions - Consistent with the plain language of the S.A.F.E. Act and sound public policy, the Agencies' S.A.F.E. rules should only require true originators to register and not mortgage servicers or third party providers engaged in loss mitigation subject to establishment of new purpose and employee provisions,

Also, exclude from the term "mortgage originator" individuals who engage in simple assumptions and certain refinancing by lenders.

Section ___.103---Registration of Mortgage Loan Originators

Revise requirements to better facilitate an orderly implementation as necessary subject to establishment of new purpose and employee provisions.

Establish an appropriate grace period for previously registered employees to prevent unnecessary interruption of mortgage origination activity and adverse affects on consumers subject to establishment of new purpose and employee provisions.

Avoid Duplicative Fingerprinting and Background Check Requirements - Not establish new fingerprinting and background requirements checks are carried out.

Avoid Unwarranted Invasion of Privacy - Carefully implement provisions allowing public review of information on originators considering the legislative intent to protect

the public from harmful originators as well as legitimate concerns that the system may be abused for purposes that may be unwarranted.

Section____.104 Policies and Procedures

Avoid any unnecessary burden on institutions and other business entities to establish policies and procedures, considering that the law was intended to ensure registry of individual originators.

To apply restrictive requirements to servicers and providers such as IMS seems to extend the provisions of licensing and registration in an unmerited fashion. The ability of these entities to continue their efforts to effectively and efficiently resolve circumstances resulting from the collapsed housing market...enabling conscientious homeowners to seek and get relief...results in appropriate loan modifications and sustained residency. In order to continue this significant and necessary industry support, these entities cannot be burdened with increased costs, liability, and further competitive disadvantages.

Thank you again for the opportunity to comment and share our distinct perspective. We remain devoted to professionally serving our clients, maintaining the highest ethical standards, and assisting current and future homeowners with a caring and considerate approach as we conduct our important work. I would be pleased to clarify or enhance the points of interest outlined in this letter and encourage you and/or your staff representatives to contact me at your convenience if deemed appropriate.

Sincerely,

Cheryl Lang
President and Chief Executive Officer