

## MEMORANDUM

TO: MEMBERS OF THE HOUSE OF REPRESENTATIVES

FROM: REPRESENTATIVE JESSE WHITE

DATE: MARCH 23, 2011

SUBJECT: Legislation regarding communication between mortgage broker and borrower

In the near future, I intend to introduce legislation which would prohibit mortgage brokers or originators from designating themselves as the sole recipient of communications sent from the lender to the borrower.

Recently, several schemes have been brought to light where mortgage brokers were convincing residential and commercial borrowers that they would be responsible for second mortgage payments, making themselves the exclusive recipient of communications from the lender. As a result, borrowers were unaware of delinquent payments. This bill will ensure that borrowers receive all information from the lender, including interest rates, fees, and monthly payments.

Citizens of the Commonwealth should not be the victims of brokers taking advantage of a loophole in statute, and with this bill, I hope to see that loophole closed.

Should you wish to co-sponsor this legislation, please contact Eileen Cohick in my office at (717) 783-6437 or [ecohick@pahouse.net](mailto:ecohick@pahouse.net).