

Jn celebration of our firm's second anniversary, we would like to welcome you to the first issue of our quarterly newsletter. We invite your suggestions of topics you would like to see covered in the newsletter. Additionally, if you would prefer to receive the newsletter by e-mail, please send us your e-mail address, and we will be happy to send it to you on-line.

PARTNER PROFILES



Terry Franzén

Terry Franzén

graduated with honors from the University of Georgia in 1977 with a B.A. in History. She graduated from the University of Georgia School of Law in 1980. Prior to opening Franzén and Salzano, P.C. in 1997, Terry served as General Counsel at Fleet Finance. Prior to joining Fleet in 1989, Terry managed the Commercial Litigation Department at an Atlanta law firm, Lamberth,

Bonapfel, Cifelli, and Stokes, P.A., and spent two years as an assistant solicitor prosecuting primarily domestic violence cases in Cobb County, Georgia.

Terry enjoys riding horses with her daughter, playing tennis, and gardening. She and her husband, Steve, who is a Juvenile Court Judge in Gwinnett County, have three children, ages 13, 10, and 9. Terry participates in several community activities including Leadership Gwinnett, the American Cancer Society's Relay for Life, and the local school advisory committees at her children's schools. Terry is President and Counsel to the Gwinnett Housing Resource Partnership, a non-profit organization which addresses affordable housing needs in Gwinnett County.

Loretta Salzano

received her B.A. with High Distinction from the University



Loretta Salzano

"TALKING THE TALK"

Loretta will be speaking at the Real Property Institute on May 6 ("RESPA and TILA: The Latest and Greatest," and to the Mortgage Bankers Association of Georgia on June 9, on "Avoiding Legal Losses." Terry will be speaking at the Georgia Mortgage Bankers Seminar on May 6 regarding the preemptive effects of state law as they relate to the Homeowners Protection Act of 1998, and on the same day at the Georgia Equity Lenders Association regarding HUD's Policy Statement regarding yield spread premiums. She will also be speaking at the Conference on Consumer Finance Law on May 13 and 14 in Oklahoma City on Truth in Lending and other compliance and litigation issues.

of Michigan in 1984 and graduated from the University of Michigan School of Law in 1988. Loretta decided to travel south from her native Michigan to the milder weather in Atlanta and joined the Commercial Real Estate section of Morris, Manning & Martin. After two years at the firm, Loretta moved in-house to Georgia Federal Bank before joining the Legal Department at Fleet Finance in 1992.

Loretta enjoys travel, tennis, yoga, and relaxing at her lake house with her husband Rob, who is an Atlanta real estate appraiser. Loretta is Secretary and Counsel to the Rainbow Village, a transitional housing shelter in Gwinnett County. The firm provides legal representation for the shelter and its residents on a *pro bono* basis. Loretta is also active in Hands On Atlanta and participates in various fundraisers.

Points of Interest IN LEGISLATIVE AND REGULATORY DEVELOPMENTS

DANGER! Many brokers and lenders mistakenly believe that each state has a “*de minimis*” requirement allowing unlicensed persons to broker or make a minimum number of loans without a license. This is not necessarily so. Before doing business in a new state, do your homework to be sure you comply with all provisions of that state’s law.

GEORGIA

Changes to the Georgia Residential Mortgage Act have been passed by the General Assembly and sent to the Governor for signature. The legislation revises state reporting requirements and explicitly provides that the employee exemption applies only to those employed by only *one* licensee. Because some violations of the Act are now felonies, it is imperative that you ensure your compliance with the Act!

INDIANA

Proposed revisions to the Loan Broker Act have been sent to Committee. Among other things, the proposal requires individual registration and increases bond requirements.

MINNESOTA

Minnesota’s new Residential Mortgage Originator and Servicer Act becomes effective on August 1, 1999. Application forms will be available soon.

OHIO

Ohio also recently amended significantly its Mortgage Broker Licensing Act. Changes include requiring registrants to maintain an in-state office.

PENNSYLVANIA

Pennsylvania amended its Mortgage Bankers and Brokers Act effective February of 1999. The amendment creates two additional licensing categories, requires a new lock-in disclosure, changes the license application process and mandates continuing education for licensees.

FEDERAL HIGHLIGHTS

The Federal Reserve Board announced revisions to its

Regulation Z Official Staff Commentary regarding private mortgage insurance.

HUD issued its long-awaited policy statement regarding mortgage broker compensation clarifying that yield spread premiums are not illegal “*per se*” and making a number of recommendations with regard to the amount and disclosure of brokers fees. Ignoring the HUD policy statement, an Alabama court recently certified a nationwide class in a yield spread premium case. Other courts around the country continue to deny class certification.

For more information on any of these matters, please contact our office.

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Publisher’s Note

Points of Interest is published by Franzén and Salzano, P.C. for clients and colleagues in the lending industry and should not be construed as legal advice. The contents are for general information purposes only. You are urged to consult legal counsel concerning any specific situation or legal issue.

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