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elcome to the third issue of our quarterly newsletter. Please check out our new website at [www.franzen-salzano.com](http://www.franzen-salzano.com) where you can find more information about our firm, our published articles, and special client services. As always, we invite your suggestions of topics you would like to see covered in the newsletter. Also, if you prefer, we will send you the newsletter on-line if you provide us with your e-mail address.

## FIRM PROFILES



*Shannon Howe*

**Shannon Howe** received her B.S. degree from Michigan State University, James Madison College in 1993 and graduated from Wayne State University Law School in 1996. Shannon began her legal career in Michigan where she spent two years as in-house corporate counsel for Rock Financial Corporation. Upon her relocation to Atlanta in 1999, Shannon joined

Franzén and Salzano. Shannon and her husband Michael are enjoying the warmer weather and look forward to traveling in the southeast.

**Marilyn Taylor** is a Legal Assistant with Franzén and Salzano. Her primary responsibilities include the preparation of qualification and state licensing applications, researching corporate data, and assisting with legislative research.

Prior to joining the firm in October 1998, Marilyn was employed with Fleet Finance for almost 19 years. Marilyn began in customer service, advanced into management, and upon transferring to the Company's

headquarters, provided branch support and assistance with state law compliance. Marilyn frequently worked with Fleet Finance's Customer Service and Legal Departments to respond to customers' questions regarding their loans.

Marilyn enjoys western square dancing, weekend getaways and motorcycling with friends. Her only child, Jonathan, will graduate from Piedmont College this spring with a Bachelor of Science degree in Biology and plans to continue his education at the University of Georgia, College of Pharmacy.



*Marilyn Taylor*

### ★ CONGRATULATIONS! ★

To Loretta Salzano on her nomination as  
1999 Affiliate of the Year by the Georgia  
Association of Mortgage Brokers.



### "TALKING THE TALK"

Loretta Salzano will be addressing the Southeast Mortgage Brokers Conference in New Orleans in early **November**. She will also be speaking at the Atlanta Association of Professional Mortgage Women's luncheon in **March**.

Terry Franzén will address customer issues and the new PMI law for the Georgia Mortgage Bankers Association in **November**. She will speak at the Conference on Consumer Finance held in San Antonio in **March** regarding truth in lending compliance in real estate transactions and in Dallas at the **April** Conference on predatory lending and recent developments in real estate finance law.

## *Points of Interest* IN LEGISLATIVE AND REGULATORY DEVELOPMENTS

### NEW YORK

The New York Banking Department has proposed regulations which impose significant restrictions with regard to "High Cost Home Loans." The regulations require consumer counseling and disclosures for high-cost home loans. "Packing" is restricted by the proposal.

Several bills concerning mortgage brokers are also currently pending in the New York legislature. These proposals would cap broker fees, make yield spread premiums illegal, and place a fiduciary duty upon mortgage brokers.

### ILLINOIS

Illinois has amended the educational requirements for licensees under the Residential Mortgage Lending Act.

### GEORGIA

It is anticipated that legislation will be introduced in January which could severely impact the mortgage lending industry in Georgia. Certain professional organizations are taking measures to ensure their representation in connection with such legislation. These parties believe that proposed legislation will cap fees and include "high cost" mortgage provisions, similar to the North Carolina legislation. It is also anticipated that a bill will be introduced imposing education and experience requirements upon mortgage brokers and mortgage lenders.

### PREEMPTION UNDER THE ALTERNATIVE MORTGAGE TRANSACTION PARITY ACT

In June, the National Home Equity Mortgage Association (NHEMA) filed suit against Virginia's Commissioner of Financial Institutions, asserting that the Parity Act preempted Virginia's restrictions on prepayment penalties. A U.S. District Court agreed, and in September, granted summary judgment in favor of NHEMA. The Court permanently enjoined Virginia from enforcing its announced position that the Parity Act does not preempt Virginia prepayment penalty law. The State has appealed the decision.

### HUD

A report was recently released by HUD's Urban Institute concerning discrimination in mortgage lending. The data in the report primarily was compiled by using "pair testing." For a copy of the report, call us or log on to [www.hud.gov](http://www.hud.gov).

### HR ALERT

Effective January 1, 2000, California adopts a *daily* overtime pay standard. Unless exempt, employers must pay time and one-half for work in excess of 8 hours per day and for the first 8 hours on the seventh day of a work week and double time for work over 12 hours in a day and over 8 hours on the seventh day. For more information on any of these matters, please contact our office.

### **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.

### **DON'T GET CAUGHT...**

We regularly apprise many of our clients of pending legislation nationwide which may affect their businesses.

With the year 2000 legislative sessions quickly approaching, call us if you'd like more information on this service.

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