

For Immediate Release

February 27, 2007

Iowa Division of Banking Announces Commitment To Participate In CSBS/AARMR Mortgage Licensing System

Thomas B. Gronstal, Superintendent of Banking, today indicated that the Iowa Division of Banking plans to participate in the Residential Mortgage Licensing System now under development by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR).

To date, 28 states have indicated their intent to participate in the nationwide Residential Mortgage Licensing System by the end of 2009.

Gronstal said, "This system, when up and running, will accomplish something that is unprecedented in the mortgage industry. Iowa plays a critical role in regulating a significant segment of the lending industry, and our participation in the system will accrue significant benefits to mortgage practitioners and the consumers of our state."

Gronstal commented further on the reasons for participation in the system:

- ? To improve the efficiency and effectiveness of state supervision of the U.S. mortgage market;
- ? To fight mortgage fraud and predatory lending that costs consumers and the mortgage industry hundreds of millions of dollars in losses each year;
- ? To increase accountability among mortgage industry professionals;
- ? To unify and streamline state license processes for mortgage lenders and mortgage brokers.

"We are proud to announce this initial phase of participating states who are taking a leadership role in creating a unified and modern system of state mortgage supervision," stated Neil Milner, CSBS president and CEO. "By announcing their intent to participate, these state agencies are taking a leadership role in this initiative."

"The importance of this initiative is underscored by the number of state agencies indicating their intent to come on the System during the initial development phase," commented George Kinsel, President, AARMR. "These states are creating the critical mass necessary for state supervision of the mortgage industry to become more uniform, more efficient, and more effective."

The System will be used by state residential mortgage regulators to accept and process national, uniform license applications and renewal forms that have been created by state regulators over the past two years. Licensees will be able to electronically manage a single record in the System to apply for, amend, renew, and surrender licenses in one or more regulators. The System will manage state licenses for mortgage companies, branches, and individuals. The System is scheduled to go operational in January 2008.

States announcing their commitment to the System include Alabama, Arizona, Arkansas, Connecticut, District of Columbia, Georgia, Idaho, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Montana, Nebraska, New Hampshire,

North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, and Wyoming.

Superintendent Gronstal expects state agencies to transition onto the System over the 2008 and 2009 time period as full functionality for the System's initial release is completed. Additional states have expressed interest in participating in the System, but are still determining the timeframe of their participation.

More information about the CSBS/AARMR Residential Mortgage Licensing System may be found on the web at www.csbs.org.

The Iowa Division of Banking regulates 337 state-chartered banks, 110 loan companies, 779 companies licensed as mortgage bankers and mortgage brokers, and nearly 6,000 individuals employed by or under contract with the companies licensed as mortgage bankers or mortgage brokers.

#

Iowa Division of Banking Contact:

Rodney Reed, Finance Bureau Chief, rod.reed@idob.state.ia.us, (515) 281-4014