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In The News

A message from NAIHP President Marc Savitt, to all mortgage brokers, originators and NAMB

I'm writing you today, not as President of NAIHP, but as a 30 year veteran of the mortgage brokerage industry.

On Saturday afternoon (February 19th), NAMB released a video by GA Chair Mike Anderson, where he stated, "The time has come to take the next step." He was speaking specifically about the Fed's rule on originator compensation. While I'm glad NAMB has finally come to this realization and caught up to the rest of the industry, I'm concerned they've decided to go it alone.

On three separate occasions since February of 2010, industry professionals approached both NAIHP and NAMB, about working together for the betterment of the industry. NAIHP immediately accepted each invitation, only to be turned down by NAMB. Not only did they refuse to join a coalition, they were successful in having the MBA back out of a planned meeting with NAIHP, IMMAAG and the Fed. NAMB was also invited to join with NAIHP in our legal action against the Fed. We're still waiting for an answer.

Filing suit against the federal government is a major undertaking that requires substantial research and careful planning. It's not something you can slap together in a hurry, if you expect to prevail. Moreover, the process often turns out more costly than anticipated. Therefore, you need to be prepared for additional costs. You fundraise first, then file, not the other way around.

NAMB's video on Saturday, sent mixed messages. In just one sentence Anderson said, "We have a high probability of getting an injunction, so I don't want to sugar coat this and we're extremely optimistic." Shortly before he made this statement a subtitle read, "We must stress no guarantee of a restraining order." One of the last subtitles of the video states, "Let's fight, hopefully we'll prevail." To quote an old saying, "Hope is not a strategy."

To me, this obvious lack of confidence is evidence that their rushed filing is more about NAMB hoping that they'll be seen as doing "something" rather than the one thing that has the best chance of success for the industry.

NAIHP has been preparing our suit against the Fed for almost 2 months. This included, interviewing law firms, lining up expert witnesses, research, countless hours of planning and most importantly, raising funds. With respect to funds, NAIHP made a pledge to all those who contributed. Every dime of your donation will be used exclusively for the lawsuit. Funds will be held in a separate account and any donations not used, will be refunded to contributors on a prorated basis.

Since NAMB's video was released, I've received numerous emails and text messages, supporting our approach and urging me to continue with our lawsuit. I can assure everyone, NAIHP will continue on this path, as well as pursue all other options to stop this illegal rule. NAIHP will file their action at the appropriate time prior to April 1st. It's not about who gets to the courthouse first, it's about being prepared for what happens in court and giving our industry the absolute best chance of success with this filing.

As a Past President and Honorary Member of NAMB, I am again urging NAMB to join our legal team, where much of the legal preparation has been completed. Should NAMB jump too quickly and be denied an injunction, which is a major concern of Anderson's, as evidenced by his video, it may very well adversely affect the outcome of industry efforts to stop the rule. It's better for everyone to work in a consolidated effort than a fragmented approach.

My door is always open!

Marc Savitt, President NAIHP

2008-2009 NAMB President

2006 NAMB Broker of the Year

2004 NAMB Government Affairs Chairman