



For immediate release  
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## **Governor Richardson Announces Task Force on Mortgage Lending** *Group to Address Subprime Lending in New Mexico*

Santa Fe, NM- Governor Bill Richardson today signed an executive order establishing a Governor's Task Force on Mortgage Lending to evaluate the potential impact of the national subprime lending crises on in-state mortgage lending and make recommendations to protect New Mexico consumers.

“Should the national trend of foreclosures linked to subprime mortgages continue, it’s important that we take every precaution to assure that New Mexico consumers are protected from abusive lending practices and the dream of homeownership remains in the reach of our citizens,” said Governor Bill Richardson.

Over the course of the next 60 days the Mortgage Lending Task Force will address the following agenda:

1. Determine the extent of the problem of mortgage lending and evaluate how much the national crisis will impact our state.
2. Evaluate the effectiveness of New Mexico’s Home Loan Protection Act.
3. Review the homebuyer financial literacy education information available to the public.
4. Evaluate the licensing requirements for originators, as well as New Mexico’s underwriting guidelines and disclosure requirements.

New Mexico’s Home Loan Protection Act, signed by Governor Richardson in 2003, is considered one of the strongest laws in the country for protecting mortgage borrowers.

“Even with a strong law on the books, I believe we must remain vigilant,” said Governor Richardson. “In several months, many subprime mortgages with costly triggers are going to come due. We need to do everything possible to help these consumers make the smart financial decisions to move away these high-risk, high-interest loans—so they can remain in their homes.”

The task force will be chaired by Mike Loftin of Homewise and Tomasita Duran of the Ohkay Owingeh Housing Authority and has a broad representation including the

following communities: the banking, finance, and mortgage professions; the real estate profession; the homebuilding profession; the legal profession; New Mexico government; and the general public. The task force has 60 days to complete its work and make recommendations to Governor Richardson.

### **Task Force on Mortgage Lending**

#### **Co-chairs**

- Michael Loftin, Homewise
- Tomasita Duran, Ohkay Owingeh Housing Authority

#### **Members (Added since noon release)**

- **Gary King, Attorney General, State of New Mexico**
- **Terri Cole, Executive Director, Albuquerque Chamber of Commerce**
- Glenn Wertheim, President & CEO, Charter Bank
- Rebecca Romero Rainey, President & CEO, Centinel Bank of Taos
- Peggy Nechero, Vice-President, Gallup Federal Bank
- Samuel K. Collins Jr., President & CEO, Union Savings Bank
- Joe Baca, President, Southern NM Mortgage Lenders Assoc.
- David Steinborn, Steinborn Realty
- Terri Powers, Owners-Brokers, ReMax High Sierra
- John Howden, Chair, NM Appraisers Licensing Board
- Michael Sivage, Sivage Community Development
- Patsy Trujillo, Deputy Secretary for Aging
- David N. Hernandez, Hernandez & Associates
- Linda Enis, Executive Director, Luna County Housing Authority & City Councilor
- Steve Anaya, Fannie Mae
- Katherine Miller, DFA Secretary
- Pamela Herndon, Deputy Secretary Regulations and Licensing
- Fred Nathan, *Think New Mexico*
- Diane Dorn Jones, Project Change Fair Lending Center
- Tony Anastasi, Strategic Real Estate Inc.
- Alex Romero, Albuquerque Hispano Chamber of Commerce

#### **Staff**

- Jay Czar, Executive Director, NM Mortgage Finance Authority

*Text of Executive Order Follows:*

**EXECUTIVE ORDER 2007-044**

**CREATING THE GOVERNOR'S TASK FORCE ON MORTGAGE LENDING**

**WHEREAS**, the practice of subprime mortgage lending facilitates loans to borrowers who may be perceived to have a high credit risk due to lack of a strong credit history or an inability to verify income, assets, or employment; and

**WHEREAS**, although subprime mortgage lending may have contributed to increased home ownership rates in recent years, there is widespread concern that subprime mortgage lending and the expansion of the secondary mortgage market have enabled unsound lending practices, including excessive fees, pre-payment penalties, and loans to borrowers on terms that are exceedingly difficult to meet during periods of market downturn; and

**WHEREAS**, the high interest rates, poor credit history of borrowers, and higher likelihood of default characteristic of subprime loans make such loans particularly risky for certain first time homebuyers and for residents of New Mexico who already face financial difficulties; and

**WHEREAS**, a comprehensive analysis of the effects of subprime mortgage lending would be of substantial benefit to the citizens of New Mexico.

**NOW THEREFORE**, I Bill Richardson, Governor of the State of New Mexico, by virtue of the authority vested in me by the Constitution and the laws of the State of New Mexico, do hereby establish the **Governor's Task Force on Mortgage Lending** ("Task Force") as follows:

1. The purpose of the Task Force shall be to examine the consequences of subprime mortgage lending in New Mexico, to review the Home Loan Protection Act, NMSA 1978, §§ 51-21A-1 et seq., homebuyer counseling, financial literacy education, and licensing requirements for originators, and to consider the effectiveness of plain language underwriting and more detailed disclosure requirements.
2. The Governor shall appoint the membership of the Task Force so as to ensure a broad representation of the following communities:
  - a. The banking, finance, and mortgage professions;
  - b. The real estate profession;
  - c. The homebuilding profession;
  - d. The legal profession;
  - e. New Mexico government; and
  - f. The general public.
3. The New Mexico Mortgage Finance Authority shall provide administrative staff and support to the Task Force.

4. The term of each member shall be from the date of appointment until twenty (20) days after the adjournment of the next regular session of the Legislature in 2008, unless otherwise determined by the Governor.
5. The Task Force shall convene at least three times, but may convene as frequently as necessary to accomplish the objectives of the Task Force.
6. The Task Force shall consult with public and private individuals, experts, and other entities as deemed necessary for the development of its recommendations. Input from the general public in the development of any proposals is strongly encouraged.
7. The Task Force shall prepare and present recommendations for the Governor's consideration no later than October 31, 2007, unless otherwise directed by the Governor.
8. The Task Force shall be an advisory body that makes recommendations to the Governor and in no event shall it make final decisions regarding policy.
9. Task Force members shall serve voluntarily and shall receive no pay for their services, nor shall they be reimbursed for travel or subsistence expenses, unless otherwise provided by law.

**THIS ORDER** supersedes any other previous orders, proclamations, or directives in conflict. This Executive Order shall take effect immediately and shall remain in effect until such time as it is rescinded by the Governor.

**ATTEST:**

**DONE AT THE EXECUTIVE OFFICE THIS  
30th DAY OF AUGUST, 2007**

**MARY HERRERA  
SECRETARY OF STATE**

**WITNESS MY HAND AND THE GREAT SEAL  
OF THE STATE OF NEW MEXICO**

**BILL RICHARDSON  
GOVERNOR**