



## NHEMA, THE MARKETPLACE OF THE NONPRIME INDUSTRY

*We are extremely proud of what we have been able to accomplish since the beginning of the nonprime era in lending.*

For many years, the nonprime mortgage industry seemed to be built upon shifting sands, subject to every little change in the marketplace.

Now, a nonprime mortgage loan is a mature product, which has gained wide acceptance from borrowers, lenders and government regulators. There is a clearer understanding today of the place of the nonprime mortgage loan in the real estate world; and, there is a clearer understanding of the need for settled law and regulation to ensure the continued viability of the product for customers.

The real estate lending marketplace is complex and sophisticated, providing the fuel that runs the American economy. Nonprime has grown to be over 20 percent of that market (\$608 billion in 2004).

Nonprime is no longer viewed as an insignificant part of the real estate lending market, but rather as an important segment, both for its impact on the American economy, and its social value. We help put people in homes who may not qualify for an agency grade loan. We enable borrowers to take advantage of the equity in their homes and put it to work for them.

NHEMA is well positioned to speak for its members and protect the interests of its millions of customers. We do this through three primary tools:

- member education,
- consumer education, and
- government relations initiatives.

A most important element of our member education is our communications including this *Equity Magazine*, *Equity Update* and *Media Update*. Through these resources, we are able to keep the membership apprised of developments requiring immediate attention, as well as those allowing for a more studied analysis.

We also offer many conferences throughout the year to bring value to our members. These conferences address topics such as fraud, legal developments, legislative developments, HMDA, and emerging markets. While a very important component of our conferences continues to be networking, we know that our topical conferences are important to the day-to-day operations of the business.

### Attorneys Round Table

One conference that I have been involved in for many years is the Attorneys Round Table. This annual meeting brings together in-house and outside counsel who concentrate their work within the nonprime mortgage lending industry. The meeting gives attorneys the opportunity to share information about the latest trends in the law that affect mortgage lending, particularly in the nonprime sector.

This year's program will cover the topics of:

- RESPA reform,
- federal regulatory, and
- legislative developments since last year.

Scrutiny also will be offered into judicial decisions that impact mortgage lenders, as well as sessions on fraud, bankruptcy reform, employment issues and developments in the business of mortgage lending.

We are very fortunate each year to have excellent presentations given by the most knowledgeable

attorneys in the business. The opportunity for questions and answers from the experts, and the opportunity to exchange ideas with the entire group of attendees, furthers the educational value of this conference.

All of our conferences are designed to offer member education. We want our members to understand the nuances of the marketplace.

NHEMA has underwritten data studies that define the market and where and how our loans are being made. The needs of the borrowers ultimately drive our lending; and, staying apprised of changes in our economy and borrowing patterns are keys to success today. Of course, we also want NHEMA conferences to continue to be the marketplace where buyers meet sellers and where deals are made, including at this month's Nonprime Trade Show & Forum in Philadelphia.

NHEMA continues its strong commitment to consumer education through its support of the BorrowSmart Public Education Foundation. BorrowSmart's mission is to train housing counselors so that they better understand the home equity loan product, in order that they may better counsel home owners. The mortgage loan process can be daunting. Knowledge of the process and the product is so important. Informed customers make for better customers.

NHEMA frequently works with housing advocates to assist with programs to help homeowners in need of

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counseling, debt relief or foreclosure prevention.

Government relations is third form of education. Our Association wants to make certain that our legislators and regulators have a good understanding of how our industry works. We function best in an environment of clear rules and regulations that are based upon sound economic as well as social policy. Our role is to make certain that government leaders are well informed. We do this through publication of data studies, submitting testimony and comment letters, and publishing our *Media* and *Equity Updates*. And when those who oppose us publish irrational or incorrect information, we try to answer such misleading information as quickly and as articulately as possible.

Our Legislative and Government Affairs Committee works tirelessly to assure that Members of Congress understand the nonprime industry. Over aggressive regulation can be as bad as no regulation at all. The goal is to achieve reasonable laws, rules and regulations that will enable the industry to provide quality nonprime products for its customers in a prompt manner and at a fair price.

We are extremely proud of what we have been able to accomplish since the beginning of the nonprime era in lending. With the continuing support of our members, NHEMA will continue to be the marketplace of the nonprime industry.