



Chairman Klein and members of the committee,

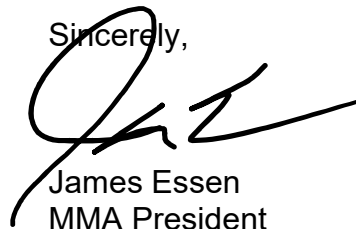
The Minnesota Mortgage Association (MMA) is grateful for the opportunity to show our support for senate file 1662 which has to do with the regulation of non-bank mortgage servicers.

This bill reflects the Model State Regulatory Prudential Standards for Nonbank Mortgage Servicers as established by the CSBS (Conference of State Bank Supervisors). These standards are good for the industry in that they are clear and transparent regulatory requirements that aim to be consistent across all states. Further, these standards align closely with existing requirements at the federal level.

These standards are good for consumers because companies that operate in a safe and sound manner are much better positioned to fulfill the significant requirements associated with servicing mortgage loans and assisting customers with these important financial obligations.

The basic task of a mortgage servicer is to collect payments from borrowers, to remit payments to investors and to handle disbursements of real estate taxes and insurance. For decades mortgage servicing had been a straightforward but very detailed business. During the years of the great recession and the pandemic, mortgage servicers were compelled to develop new ways to handle major economic disruptions. Developments such as deferments, modifications and forbearances added complexity to processes and greater significance to the way we service each borrower's mortgage loan. Therefore, it is appropriate at this time that the standards expressed in senate file 1662 be adopted. This bill will provide necessary consumer protection and regulatory consistency as we join other states in adopting the standards for safety and soundness set forth by the CSBS.

Sincerely,



James Essen
MMA President