

CAI Takes Action on Mortgage Regulations – In 2011, a host of federal agencies will be issuing regulations that will create Qualified Residential Mortgages (QRM). These regulations are required under provisions of the Financial Services Reform Act passed in 2010. Under a provision titled “Risk Retention,” lenders will be required to retain an ownership interest in each mortgage they lend unless the mortgage meets the requirements of a QRM. The effect of this new law will be to reset the rules governing mortgages including mortgage qualifications and lending criteria for properties in community associations.

To date, federal regulators have demonstrated a fundamental lack of knowledge on how community associations operate. This has been demonstrated most notably in the evolving FHA condominium guidelines. Because these regulations, when drafted, will have a fundamental impact on all mortgage lending, CAI has reached out to the seven federal agencies before the regulatory process begins, to express concerns and recommendations on how such regulations would impact the 64 million Americans who live in community associations. You can view CAI’s letter [here](#).