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NEWS RELEASE

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Idaho Department of Finance Announces Commitment To Participate In CSBS/AARMR Nationwide Mortgage Licensing System

Boise ... Gavin Gee, Director of the Idaho Department of Finance, today indicated that the Department plans to participate in the Nationwide Residential Mortgage Licensing System now under development by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR).

To date, 29 states agencies have indicated their intent to participate in the Nationwide Residential Mortgage Licensing System (System) by the end of 2009. With support from the Idaho Association of Mortgage Brokers (IAMB) and the Idaho Mortgage Lenders Association (IMLA), in 2006 the Idaho Legislature authorized Idaho's participation in the System and the Department of Finance plans to join the System as part of the initial group of states in January 2008. The Department is already using the uniform application forms adopted by the System to facilitate the transition to the automated System and enhance uniformity among the states in the mortgage industry licensing process.

Gee said, "This System, when up and running, will accomplish something that is unprecedented in the mortgage industry. Idaho plays an important role in regulating a significant segment of the lending industry, and our participation in the System will accrue significant benefits to mortgage practitioners and the consumers of our state." Gee stated that he was pleased with the Department's working relationship with IAMB and IMLA and added that both Idaho trade associations have expressed support for Idaho's participation in the Nationwide Residential Mortgage Licensing System because of Idaho's balanced mortgage licensing requirements.

Gee commented further on the reasons for participation in the System:

- To improve the efficiency and effectiveness of state supervision of the U.S. mortgage market;
- To fight mortgage fraud and predatory lending that costs consumers and the mortgage industry hundreds of millions of dollars in losses each year;

- To increase accountability among mortgage industry professionals;
- To unify and streamline state license processes for mortgage lenders and mortgage brokers.

"We are proud to announce this initial phase of participating states who are taking a leadership role in creating a unified and modern System of state mortgage supervision," stated Neil Milner, CSBS president and CEO. "By announcing their intent to participate, these state agencies are taking a leadership role in this initiative."

"The importance of this initiative is underscored by the number of state agencies indicating their intent to come on the System during the initial development phase," commented George Kinsel, President, AARMR. "These states are creating the critical mass necessary for state supervision of the mortgage industry to become more uniform, more efficient, and more effective."

The System will be used by state residential mortgage regulators to accept and process national, uniform license applications and renewal forms that have been created by state regulators over the past two years. Licensees will be able to electronically manage a single record in the System to apply for, amend, renew, and surrender licenses in one or more states. The System will manage state licenses for mortgage companies, branches, and individuals. The System is scheduled to go operational in January 2008.

State agencies announcing their commitment to the System include Alabama, Arizona, Arkansas, Connecticut, District of Columbia, Georgia, Idaho, Indiana Department of Financial Institutions, Indiana Secretary of State, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, Washington and Wyoming.

According to Gee, the Department of Finance currently licenses 1,913 mortgage companies and 4,606 individuals who originate mortgage loans in Idaho for those companies. Gee said that roughly 75% of these licensees are located outside of Idaho.

Gee expects state agencies to transition onto the System over the 2008 and 2009 time period as full functionality for the System's initial release is completed. Additional states have expressed interest in participating in the System, but are still determining the timeframe of their participation.

More information about the CSBS/AARMR Residential Mortgage Licensing System may be found on the web at www.csbs.org.

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Department of Finance Press Releases and other information can be found on the Internet via the worldwide web at <http://finance.idaho.gov> and may be obtained by contacting the Department at (208) 332-8000 or Idaho toll-free at 1-888-346-3378.