

## **Regulation Review Comments Re: 209 CMR 55.00**

### **Reverse Mortgages Pursuant to Executive Order 562** (To reduce unnecessary regulatory burdens)

Submitted by Leonard F. Raymond, Executive Director & C.O.O.  
Homeowner Options for Massachusetts Elders (HOME)

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In general, the regulations regarding 209 CMR 55.00 are appropriate and clear. These regulations are pursuant to statutory mandates that have been very lengthy, well thought out, subject to extensive discussion and input by all interests, and have been delayed a number of times. Most important, these regulations were subject to a well planned process of public hearings and comments and a very comprehensive review.

These relevant regulations pertaining to reverse mortgages involve a significant commitment by the Commonwealth regarding the assurances and provision of essential consumer protections for elder homeowners of Massachusetts who are contemplating reverse mortgage loans. Therefore, such regulations, those dealing with legislatively mandated standards for basic consumer protections, should not be subject to Executive Orders for any changes or streamlining that violate the crucial original statutory intent and meaning: the establishment of vital consumer protections.

The Homeowner Options for Massachusetts Elders (HOME) nonprofit agency has counseled many thousands of Massachusetts senior homeowners. Given HOME's experience in the past thirty-two years, the existing regulations, as noted in regulation 209 CMR 55.00, should include additional buttressing. Such additions would involve the implementation of a simple, single, statewide income/asset eligibility definition of those mortgagors required to utilize face-to-face counseling when applying for a reverse mortgage. In fact, an eligibility definition regarding clearly set and understood geographic regions and income and asset levels should be updated no less than once a year.

Additionally, while not subject to these proceedings but of legislative authority and scope, HOME would support a change of the "Opt In" requirement to an "Opt Out" requirement for potential reverse mortgagors. Such a change would require the strict utilization of an income and asset cut-off point, above which elders may utilize other counseling modes, in addition to face-to-face, if desired. A strict regimen of policing an "Opt Out" would be required and would need specific forms to be submitted by such mortgagors, along with documentation as to reason and evidence pertaining to such a decision. Such a decision is subject to manipulation and abuse by certain interests. Also, there would be the need to focus scarce counseling resources for face-to-face activities with elders of lower income and means in order to protect those seniors who may be more vulnerable and to preserve the consumer protection mandates of the statute. Unfortunately, reverse mortgage counseling, which is by far most effectively and properly delivered face to face (and HOME would maintain as best within the residence of the elder\*), is for all practical purposes a grossly under-resourced and under-funded mandate by the federal government. Consequently, while the existent requirement for face-to-face counseling (in operation since 8/1/14) has not been without difficulties, the "sky has (not) fallen" and its unquestionable importance and need only increase with time. Therefore, HOME continues its often noted demand for the Commonwealth to assist with funding resources for counseling while emphatically not diluting counseling quality nor the core consumer protections.

Further, at this time - with lowered rates of reverse mortgage demand nationally (for a variety of reasons) - experimentation with counseling services delivery, especially as it applies to more rural geographic regions, would be most appropriate. Thus, circuit rider and various counselor utilization schemes, with most or all of the state's certified counseling agencies participating, should be reviewed regarding effective service delivery.

Lastly, a study group should be empaneled consisting of both counseling, elder service, regulator and lender interests, dedicated not to delay or eliminate face-to-face counseling but rather to examine possible options to better deliver face-to-face counseling and related consumer protections to needy elder homeowners.

Please do not hesitate to contact me at the HOME agency regarding any questions or concerns relative to the comments herein. Thank you for your time and attention to these matters.

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\* Please refer to HOME comments delivered at the 5/15/15 hearing.