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### **DHIC Signs on to Treasurer's Mortgage Protection Principles**

DHIC is proud to be among the first of dozens of local and statewide banks and non-profit organizations that have signed onto a new set of Mortgage Protection Principles advocated by North Carolina State Treasurer Richard Moore.

The principles represent best practices in mortgage lending, and if adopted by all lenders, would substantially curtail future foreclosures in the state and in the nation. As a result of lax standards and aggressive lending primarily in the subprime mortgage sector, it is estimated that one in 510 homeowners are at risk of foreclosure.

Gregg Warren, DHIC's President, says, "These principles are fully aligned with the mission and goals of our Homeownership Center. We are pleased to sign on and adopt them in support of our counseling and education clients, preferred partner-lenders, and all Triangle homebuyers."

The principles include:

- 1) Matching borrowers with the most appropriate and least expensive loans for which they qualify;
- 2) Full verification and documentation of the borrower's ability to repay a loan for all subprime loans;
- 3) Never basing a borrower's loan qualification on a teaser rate, but rather ensuring that subprime loans with an adjustable rate feature are affordable;
- 4) Never charging prepayment fees or penalties on any subprime loans;
- 5) Never incentivizing employees or brokers to place borrowers into higher cost loans that those for which they qualify, and clearly disclosing all expected broker compensation, from lenders or elsewhere, for any loan options presented to the borrower;

- 6) Providing borrowers with a fixed-rate option whenever presenting adjustable rate products;
- 7) Making the same services available to all similarly-situated borrowers, and ensuring there is no discrimination on any prohibited basis; and
- 8) Conducting criminal background checks to ensure that mortgage brokers are of high moral character.

For more details about the State Treasurer's Mortgage Protection Principles, click [here](#).