

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

V. INDUSTRY SEMINARS AND SPEECHES - SHORT TERM

- I. Other Presentations In Which Either The Date And /  
Or Sponsoring Organization Is Missing
  - 6. Real Estate Finance/Mortgage Banking/Mortgage  
Guaranty Insurance
    - v. "Documentation Risk", no date

## Documentation Risk

- I. Mortgage Lender Exposure to Potential Tort Actions from the Borrower
  - A. Invasion of privacy - personal injury liability
  - B. Slander and libel, disparagement of reputation - personal injury liability
  - C. Discrimination because of race, creed, sex, national origin, color, age, marital status (Markham vs. Colonial Mortgage Service Company)
  - D. Interference on private contracts - not insurable
  - E. Usury and rescision of mortgage debt
  - F. Estoppel from enforcement of contract due to inadequate explanation or notice - not insurable
  - G. Implied warranty of the home as fit for use intended (Connor vs. Great Western Savings and Loan) (vicarious liability)
- II. Loss of Right Due to Improper Recordation
  - A. Failure to record mortgage in a timely fashion- Banker's Blanket Bond
  - B. Failure to renew insurance due to clerical oversight - group fire renewal coverage
  - C. Failure to record monthly payments
  - D. Fiduciary guarantees of principal in escrow and trust accounts
  - E. Destruction of records
  - F. Errors in closing
  - G. Errors in bankruptcy defenses
- III. Exposure to Government Action
  - A. Implicit discrimination through appraisal, red lining, etc.
  - B. Violation of the Equal Credit Opportunity Act
  - C. Community Reinvestment Act
  - D. Violation of federal regulations for servicing a guaranteed loan
  - E. Violation of federal flood plains regulations
  - F. Violation of state and federal environmental impact regulations
  - G. Violation of truth in lending regulations
  - H. Violation of HLB, FSLIC, or FDIC advertising regulations
  - I. Financial Institutions Regulatory and Interest Rate Control Act of 1978
  - J. U.S. Labor Department's Office of Federal Contract Compliance interprets FSLIC and FDIC insured lenders to be subject to rules governing federal contractors as well as those which process Treasury tax and loan accounts or engage in the sale or redemption of U.S. Savings Bonds!