Annexure: Important Acronyms

**TAF**
The Term Auction Facility was launched on December 12, 2007. It permitted banks to use securities as collateral to take short-term loans from the federal government for periods of either 28 or 84 days. In the Fed’s words, TAF is a "credit facility that allows a depository institution to place a bid for an advance from its local Federal Reserve Bank at an interest rate that is determined as the result of an auction." The first auction took place on December 17.

**TSLF**
The Term Securities Lending Facility was launched on March 11, 2008. Like TAF, which made credit available to "depository institutions," TSFL made $200 billion in credit available to other financial institutions (brokerage firms and other entities such as Fannie Mae, Freddie Mac, Citigroup, Countrywide Financial) for 28-day periods as opposed to the traditional overnight loans. These entities use securities as collateral to borrow money. Weekly auctions began on March 27, 2008.

**PDCF**
On March 17, 2008, the Federal Reserve announced the creation of the Primary Dealer Credit Facility. Unlike TAF and TSLF, which were designed to address long-term funding needs, PDCF provides daily access to cash to the same entities that borrow from TAF and TSLF. The institutions pay an interest rate equal to the Fed's primary credit rate for short-term (overnight) loans. (Learn more in Top 6 U.S. Government Financial Bailouts.)

**AMLF**
In September, 2008, the Federal Reserve Board announced the creation of the Asset-Backed Commercial Paper Money Market Fund Liquidity Facility, which loans money to banks and bank holding companies to help them meet redemptions in money market funds. They do this by lending funds to borrowers to purchase eligible ABCP's from the money market fund. Because the market for commercial paper dried up, the government feared that investors would be unable to redeem their assets from money-market funds. This could have been a major financial meltdown, as money-market funds have been touted as cash-like, safe investments.

**TARP**
While previous programs were designed to thaw the frozen credit markets, the serious attempts at economic salvation really started with the Troubled Assets Relief Program. TARP, also known as "the bailout," entered the world on October 3, 2008. It was $700 billion program conceived in response to financial institutions struggling under the weight of sub-prime loan defaults. The greed-driven lenders gave money to foolish borrowers that were obviously unable to repay it, so the government agreed to use tax-payer money to take the bad loans off of the lenders books in order to thaw the credit markets. (Learn more about the meltdown in The Fall Of The Market In The Fall Of 2008.)

**TALF**
TALF came next. In March of 2009, the Term Asset-Backed Securities Lending Facility, or bailout number two, tossed $200 billion more into the bailout pool by printing new money. The government launched TALF after the asset-backed securities (ABS) market froze over in October, causing consumers and small business owners to be unable to access credit.

TALF was supposed to "help market participants meet the credit needs of households and small businesses by supporting the issuance of ABS collateralized by student loans, auto loans, credit card loans, and loans guaranteed by the Small Business Administration (SBA)." This effort also wasn't enough.

**FSP**
Bailout number three, the Financial Stabilization Plan, grew TALF to a trillion dollars. It also permits commercial-mortgage backed securities (CMBS) to be used as collateral.
**CPFF**
The Commercial Paper Funding Facility came along in October of 2008, as commercial paper fell victim to illiquid credit markets. It was designed to provide a market for commercial paper by purchasing commercial paper from eligible issuers. The facility would use a special purpose vehicle (SPV) to buy and hold these commercial paper to maturity and use the proceeds at maturity to repay the funds they borrowed from the Fed.

**PPIP**
The Public-Private Investment Program, rolled out in March 2009, was created to buy bad assets in order to get them off of banks' books. It was funded with a combination of TARP money and money from private investors. The program's main purpose was to provide price discovery in the market for toxic assets and to remove these assets from the balance sheets of financial institutions.

- mortgage-backed securities (MBS)
- collateralized mortgage-backed obligations (CMBO)
- collateralized debt obligation (CDO)
- collateralized bond obligation (CBO)
- collateralized loan obligation (CLO)

**Definition of 'Alternative Mortgage Transaction Parity Act - AMTPA'**
An act from 1982 that over-rode many state laws that prevented banks from using mortgages other than conventional fixed-rate mortgages. This act allowed for the total costs of loans to become obscured, and led to the availability of various new mortgages such as adjustable rate mortgages (ARMs), interest only mortgages, and balloon payment mortgages.

**Definition of 'Black Monday'**
October 19, 1987, when the Dow Jones Industrial Average (DJIA) lost almost 22% in a single day. That event marked the beginning of a global stock market decline, making Black Monday one of the most notorious days in recent financial history. By the end of the month, most of the major exchanges had dropped more than 20%.
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<tr>
<td>BEA</td>
<td>Bureau of Economic Analysis</td>
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<tr>
<td>CDO</td>
<td>Collateralized Debt Obligation</td>
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<tr>
<td>CMBS</td>
<td>Commercial Mortgage-backed Securities</td>
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<tr>
<td>CPC</td>
<td>Central Product Classification</td>
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<tr>
<td>EIA</td>
<td>Electricity Information Administration</td>
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<td>EIU</td>
<td>Economist Intelligence Unit</td>
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<tr>
<td>ETF</td>
<td>Exchange Traded Fund</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FDIC</td>
<td>Federal Deposit Insurance Corporation</td>
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<td>FLC</td>
<td>Foreign Legal Consultant</td>
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<tr>
<td>FTA</td>
<td>Free Trade Agreement</td>
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<td>GATS</td>
<td>General Agreement on Trade in Services</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>IEA</td>
<td>International Energy Agency</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IPO</td>
<td>Initial Public Offering</td>
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<tr>
<td>M&amp;A</td>
<td>Merger and Acquisition</td>
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<tr>
<td>MiFiD</td>
<td>Markets in Financial Instruments Directive</td>
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<tr>
<td>NAICS</td>
<td>North American Industry Classification</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
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<tr>
<td>P&amp;C</td>
<td>Property and Casualty</td>
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<tr>
<td>SME</td>
<td>Small and Medium Enterprise</td>
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<tr>
<td>SWF</td>
<td>Sovereign Wealth Fund</td>
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<td>TARP</td>
<td>Troubled Asset Relief Program</td>
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<tr>
<td>TRIA</td>
<td>Terrorism Risk Insurance Act</td>
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USDOC U.S. Department of Commerce

USITC U.S. International Trade Commission

USTR Office of the United States Trade Representative

VoIP Voice over Internet Protocol

WTO World Trade Organization
Annexure

Mortgage Reform and Anti-Predatory Lending Act of 2007

Title I - Residential Mortgage Loan Origination

Subtitle A - Licensing System for Residential Mortgage Loan Originators
Encourages the states, through the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators, to establish a Nationwide Mortgage Licensing System and Registry (NMLSR) for the residential mortgage industry.

Section 103 -
Includes among licensing and registration requirements that a loan origination business obtain: (1) a unique identifier; and (2) instruction on fraud, consumer protection, and fair lending issues. Exempts certain loan processors and underwriters from the licensing or registration requirements.

Requires independent contractors who work as loan processors or underwriters to be either licensed or registered.

Section 104 -
Sets forth state license and registration procedures.

Section 105 -
Prescribes minimum standards for license renewal for state-licensed loan originators. Requires the NMLSR to review and publish, but prohibits it’s from offering, directly or indirectly, pre-licensure educational courses for loan originators.

Section 106 -
Requires federal banking agencies to develop and maintain jointly a system for registering employees of depository institutions or their subsidiaries as registered loan originators with the NMLSR. Requires such agencies to: (1) include in the information furnished to the NMLSR the personal history and experience of such employees; and (2) authorize the NMLSR to obtain information related to any administrative, civil or criminal findings by any governmental jurisdiction.
Section 107 -
Instructs the Secretary of Housing and Urban Development (HUD) to provide for a licensing and registration system governing loan originators operating in a state which: (1) does not have such a system in place within a prescribed time frame; or (2) does not participate in the NMLSR. Instructs the Secretary to coordinate with the NMLSR to establish protocols for assigning a unique identifier to each loan originator licensed by HUD as a state-licensed loan originator that will facilitate electronic tracking and uniform identification of, and public access to, the employment history and the publicly adjudicated disciplinary and enforcement actions against loan originators.

Section 108 -
Directs the Secretary to establish a back-up licensing and registry system any time the Secretary determines that the NMLSR is failing to meet the requirements and purposes of this Act for a comprehensive licensing, supervisory, and tracking system for loan originators.

Section 109 -
Authorizes the federal banking agencies, HUD, and the NMLSR to charge fees to cover the costs of maintaining and providing access to NMLSR information to the extent such fees are not charged to consumers for access to such system and registry.

Section 110 -
Instructs the Attorney General to provide access to all criminal history information to state regulators of loan originators if such checks are required for state licenses.

Section 111 -
Provides for confidentiality of information.

Section 112 -
Shields from liability regulatory entities performing in good faith information collection and dissemination under this Act.

Section 113 -
Grants the Secretary enforcement authority to implement this Act, including assessment of civil monetary penalties.
Subtitle B - Residential Mortgage Loan Origination Standards

Section 122 -
Amends the Truth in Lending Act to set forth a duty of care standard for residential mortgage loan originations.

Section 123 -
Prohibits the payment of steering incentive compensation to mortgage originators based on, or varying with, the terms (other than principal amount) of any loan that is not a qualified mortgage. Requires the federal banking agencies jointly to prescribe regulations to implement this Act.

Section 124 -
Subjects mortgage originators to liability for monetary penalties for violations of this Act.

Title II - Minimum Standards for Mortgages

Section 201 -
Sets forth minimum repayment standards for residential mortgage loans.

Requires creditors to determine, based on verified and documented information, that a consumer has a reasonable ability to repay the loan, according to its terms (taxes, insurance, and assessments), including the consumer's repayment ability if multiple loans are secured by the same dwelling.

Requires a creditor to take into consideration: (1) variable rate loans that defer repayment of any principal or interest (nonstandard loans); (2) interest-only loans; and (3) any balance increase that may accrue from any negative amortization.

Section 202 -
Prohibits a creditor from extending credit for residential mortgage loans that involve refinancing of a prior residential mortgage loan unless the creditor determines that refinancing provides a net tangible benefit to the consumer.

Describes residential mortgage loans which do not provide a net tangible benefit to the consumer.

Section 203 -
Sets forth a rebuttable presumption of the ability to repay.
Section 204 -
Subjects a creditor to civil liability for violations of this Act, including rescission of a residential mortgage loan and certain additional costs, including a reasonable attorney's fee of the obligor. Subjects an assignee or securitizer of such a loan, acting in good faith, to liability for a creditor's violations, but only for rescission of the loan, plus related costs and attorney fees. Exempts an assignee or securitizer from such liability if it provides a cure, and meets other specified requirements. Permits a consumer to maintain a civil action against an assignee to cure, but not rescind, a residential mortgage loan, if a creditor or assignee of a loan has: (1) ceased to exist as a matter of law; (2) filed for bankruptcy protection; or (3) had receivers or liquidating agents appointed. Subjects good faith assignees and securitizers of such a creditor to the same liability for a creditor's violations, unless they provide a cure for such violations or they meet specified conditions. Prohibits class action suits against assignees and securitizers.

Excludes from such assignee and securitizer liability any residential mortgage loans aggregated in a pool of assets held to issue or sell instruments representing interests in such pools, including through a securitization vehicle.

Section 205 -
Authorizes a consumer who has the right to rescind with respect to a residential mortgage loan against the creditor (or any assignee or securitizer) to assert such right as a defense or counterclaim to foreclosure against the mortgage loan holder (or its agent).

Section 206 -
Proscribes certain practices, including: (1) certain prepayment penalties; (2) single premium credit insurance; (3) mandatory arbitration (except for reverse mortgages); (4) mortgage loan provisions that waive statutory cause of action by the consumer; (5) negative amortization mortgages.

Reserves the right of a securitizer to retain access to any residential mortgage loan in any document establishing a pool of assets including such loan in order to provide for and obtain a remedy for the obligor under such loan.

Sets forth the effect of foreclosure on a preexisting lease.
Section 208 -
Declares that: (1) this Act supersedes any state law that provides additional remedies against any assignee, securitizer, or securitization vehicle; and (2) the remedies in this Act constitute the sole remedies against any assignee, securitizer, or securitization vehicle for specified violations.

Section 210 -
Doubles civil money penalties for certain violations.

Extends to three years the statute of limitations for certain violations.

Section 211 -
Exempts a creditor, assignee, or securitizer from liability and rescission in the case of borrower fraud or deception by an obligor.

Section 212 -
Requires the creditor or servicer of a loan to notify the consumer with a written explanation, including alternative moves, during the one-month period that ends six months before the interest rate in effect during the introductory period of a hybrid adjustable rate mortgage adjusts or resets to a variable interest rate.

Section 213 -
Requires additional information disclosures for: (1) variable payments or interest rates; (2) escrow or impound accounts; (3) aggregate settlement charges; (4) aggregate mortgage origination loan fees; (5) payment schedules; and (6) updating of annual percentage rates of interest (APRs).

Section 214 -
Requires specified disclosures in monthly statements for residential mortgage loans, including: (1) the amount of the principal obligation under the mortgage; (2) the current interest rate in effect for the loan; and (3) the date on which the interest rate may next reset or adjust.

Section 215 -

Section 217 -
Directs the Comptroller General to study and report to Congress on the effects of this Act upon the availability and affordability of credit for homebuyers and mortgage lending.
Title III - High-Cost Mortgages

Section 301 -
Redefines high cost-mortgages with respect to: (1) introductory rates; (2) adjustment of percentage points; (3) points and fees; (4) high-cost mortgage lenders; and (5) bona fide discount points.

Section 302 -
Revises requirements governing prepayment penalties. Prohibits: (1) balloon payments for high-cost mortgages; (2) lending without due regard to debtor's repayment ability; (3) creditor recommendation to debtor to default; (4) certain late fees in connection with a high-cost mortgage; (5) debt acceleration at creditor's sole discretion; (6) creditor financing of certain financing points and fees; (7) evasions, structuring of transactions, and reciprocal arrangements; and (8) certain creditor-imposed fees for modification, deferral, and payoff statements.

Section 303 -
Prohibits a creditor from extending credit to a consumer under a high-cost mortgage without first receiving certification from a counselor approved by either HUD or a state housing finance authority that the consumer has received counseling on the advisability of the mortgage. Prohibits a creditor from knowingly or intentionally engaging in the unfair act or practice of flipping in connection with a high-cost mortgage (defined as a loan or extension of credit in the form a high-cost mortgage to a consumer which refines an existing mortgage when the new loan or extension of credit does not have reasonable, tangible net benefit to the consumer considering all circumstances).

Section 305 -
Directs the Board of Governors of the Federal Reserve System (Federal Reserve Board) to promulgate regulations implementing this Act.

Authorizes the Board to prescribe regulations requiring or encouraging creditors to provide consumer mortgage education to prospective customers, or direct such customers to qualified consumer mortgage education or counseling programs.

Prohibits any construction of a Board requirement as affecting or superseding any state law requirement regarding consumer mortgage counseling or education.
Title IV - Office of Housing Counseling
Expand and Preserve Home Ownership Through Counseling Act -

Section 402 -
Establishes within HUD the Office of Housing Counseling, headed by the Director of Housing Counseling. Requires the Secretary to appoint an advisory committee.

Section 403 -
Sets forth counseling procedures.

Instructs the Director to develop and conduct national public service multimedia campaigns designed to make persons facing mortgage foreclosure, persons considering a subprime mortgage loan to purchase a home, elderly persons, persons who face language barriers, low-income persons, and other potentially vulnerable consumers aware that it is advisable, before seeking or maintaining a residential mortgage loan, to obtain home ownership counseling from an unbiased and reliable source, and that such home ownership counseling is available from HUD.

Requires HUD to provide advice and technical assistance to states, local governmental entities, and nonprofit organizations regarding the establishment and operation of consumer education programs (particularly for those most vulnerable with respect to residential mortgage loans, mortgage refinancing, home equity loans, and home repair loans).

Section 404 -
Amends the Housing and Urban Development Act of 1968 to require the Secretary to make financial assistance available to states, local governments, and nonprofit organizations providing home ownership or rental counseling. Authorizes appropriations for FY2008-FY2011.

Section 405 -
Revises requirements for use of HUD-certified counselors under HUD programs.

Section 406 -
Instructs the Secretary to study and report to Congress on the root causes of default and foreclosure of home loans, including an examination of the role of escrow accounts in helping prime and nonprime borrowers to avoid defaults and foreclosures.
Section 408 -
Amends the Real Estate Settlement Procedures Act of 1974 (RESPA) to require HUD to prepare, periodically, in various languages and cultural styles, a booklet to help consumers applying for federally related mortgage loans to understand the nature and costs of real estate settlement services.

Title V - Mortgage Disclosures Under Real Estate Settlement Procedures Act of 1974

Section 501 -
Amends RESPA to set forth a universal mortgage disclosure requirement for good faith estimates of settlement services costs. Requires the Secretary to prescribe a standard form for such disclosure, to be used without variation in all transactions in the United States that involve federally related mortgage loans.

Title VI - Mortgage Servicing

Section 601 -
Requires a creditor, in connection with the formation or consummation of a consumer credit transaction secured by a first lien on the consumer's principal dwelling (other than a reverse mortgage or a credit card transaction), to establish in a federally insured depository institution, at the time of consummation, an escrow or impound account for the payment of taxes and hazard insurance, and, if applicable, flood insurance, mortgage insurance, ground rents, and other required periodic payments or premiums.

Section 602 -
Requires the creditor or servicer of a mortgage loan to advise a consumer in writing of the consumer's responsibilities and the implications for the consumer in the absence of an escrow or impound account, if one is not established or the consumer chooses to close one.

Section 603 -
Amends RESPA to prohibit certain practices by federally related mortgage loan servicers, including: (1) obtaining force-placed hazard insurance unless it is reasonable to believe the borrower has failed to comply with the loan contract's requirements to maintain property insurance; (2) charging fees for responding to valid qualified written requests; (3) failing to respond timely to borrower's requests to correct errors relating to standard servicer duties; and (4) failing to respond within 10 business days to a borrower's request to provide relevant
contact information about the owner assignee of the loan. Prescribes
requirements for a federally related mortgage loan servicer to meet when
obtaining force-placed insurance (hazard insurance coverage obtained by a
servicer when the borrower has failed to maintain or renew hazard insurance on
a property as required under the mortgage terms). Requires prompt crediting of a
borrower's payments on the business day received by a home loan lender or
servicer. Increases the maximum additional damages for RESPA violations: (1)
from $1,000 to $2,000 for an individual action; and (2) from $500,000 to $1
million for a class action. Reduces the maximum length of time for a loan
servicer to respond to borrower inquiries: (1) from 20 to 10 days to
acknowledge receipt of an inquiry; and (2) from 60 to 30 days to take certain
actions in response to an inquiry. Requires: (1) a creditor or servicer to send a
payoff balance within seven business days of receipt of a borrower's written
request; and (2) prompt refund of escrow accounts upon payoff.

Section 604 -
Requires the Secretary to study and report to Congress on: (1) mortgage
servicing practices and their potential for fraud and abuse; and (2) mortgage
servicing improvements.

Section 605 -
Amends the Truth in Lending Act, in any case of a consumer credit transaction
secured by a first mortgage or lien on the consumer's principal dwelling (other
than a reverse mortgage or a credit card transaction), for which an account is set
up for property taxes, hazard insurance, and other periodic payments, to require
the repayment analysis to account for escrow payments and the taxable assessed
value of the real property securing the transaction.

Title VII - Appraisal Activities

Section 701 -
Amends the Truth in Lending Act to prohibit a creditor from extending credit in
the form of a mortgage to any consumer without first obtaining a written
property appraisal prepared, in accordance with the requirements of this Act, by
a qualified appraiser after conducting a physical property visit of the interior of
the mortgaged property.

Requires the creditor to provide one copy of each such appraisal, without
charge, to the consumer at least three days before the transaction closing
date. Subjects violations to a monetary penalty.
Section 702 -
Proscribes certain unfair and deceptive practices in connection with a consumer credit transaction secured by the consumer's principal dwelling, including: (1) mischaracterizing, or suborning a mischaracterization of, the property's appraised value; (2) seeking to influence an appraiser or otherwise to encourage a targeted value in order to facilitate the making or pricing of the transaction; and (3) failing to timely compensate an appraiser for a completed appraisal, regardless of whether the transaction closes. Requires the federal banking agencies and the Federal Trade Commission (FTC) to jointly prescribe regulations defining with specificity unfair or deceptive practices in the provision of mortgage lending services.

Section 703 -
Creates the Appraisal Subcommittee of the Financial Institutions Examination Council to protect the consumer from improper appraisal practices and the predations of unlicensed appraisers. Authorizes the Appraisal Subcommittee to prescribe regulations. Requires each state with an appraiser certifying and licensing agency meeting certain criteria to report to the Appraisal Subcommittee's national registry on sanctions, disciplinary actions, license and certification revocations, and license and certification suspensions. Increases from $25 to $40 the annual registry fees for persons performing appraisals in federally related transactions. Authorizes the Appraisal Subcommittee to adjust such fees within certain limits. Directs the Appraisal Subcommittee to adjust grants to state appraiser regulatory agencies to help defray costs of enforcement activities; and (2) report to state appraiser certifying and licensing agencies when a license or certification is surrendered, revoked, or suspended. Requires the Appraisal Subcommittee to monitor state appraiser certifying and licensing agencies for compliance with certain requirements. Prohibits specified interested parties in a real estate transaction from engaging in certain practices to influence improperly the development, reporting, result, or review of a real estate appraisal sought in connection with a mortgage loan. Subjects violators to civil penalties.

Section 704 -
Directs the Comptroller General to study and report to Congress on possible improvements in the appraisal process, including the consistency and the effectiveness of improvements in state compliance efforts and programs in
accordance with title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

Section 705 -
Requires that, in any case in which an appraisal is performed in connection with an extension of credit secured by an interest in real property, the mortgage originator make available to the credit applicant a copy of all appraisal valuation reports upon completion, but no later than three business days before the transaction closing date.