“Coordinated Policy: A Foundation for Mortgage Market Stability”

May 20, 2025

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and CSBS Board Chair

Opening Remarks

CSBS/AARMR 2025 Mortgage Policy Summit

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Thanks, Tony and Good morning, everyone! I have to start by thanking the CSBS staff—this is the second Mortgage Policy Summit we’ve hosted, and I was the one pushing for both.

In 2019, John Ryan was president of CSBS, and I was president of AARMR. He approached me with the idea for the Mortgage Policy Summit, and I immediately saw the value in bringing together the full range of housing policy stakeholders into one room.

Since the last policy summit, we’ve experienced five years of extraordinary change: a global pandemic, a housing supply crunch, and a growing wave of natural disasters. It is definitely time to hold another policy summit.

These recent challenges have only reinforced what I believed back in 2019: strong coordination and collaboration are essential to sound mortgage policy and market stability.

The U.S. mortgage market is one of the most complex financial systems in the world, and as we learned in the Financial Crisis, its stability has global consequences. Developing policy for a complex environment requires more than parallel efforts. It requires shared effort and collaboration.

For state regulators, collaboration and coordination aren't added responsibilities – they are woven into our everyday work. We partner across 54 state agencies to examine large mortgage companies, develop consistent supervisory standards and processes, and reduce regulatory friction—all while protecting consumers and growing our states' economies.

Good policy is almost always created in response to a need. Policy can drive model laws or the adoption of supervisory processes. Within the state system, we are very focused on policy development and implementation of solutions that are tailored to the present financial services environment. Most policy development is coordinated through our regulatory associations, like AARMR and CSBS. It is through our associations that we obtain agreement from all or most states and then seek formal or informal adoption of a given policy.

An example of this is the federal SAFE Act where Congress saw the need to license loan originators and pointed the states in that direction. Simultaneously, the states, through CSBS and AARMR, were already developing technology, specifically the NMLS. [1] That policy development, where Congress collaborated with regulators, along with the creation of the NMLS, brought all states and even federal regulators together within two years to change the face of the mortgage industry.

Another example is the State Regulator Prudential Standards for Nonbank Mortgage Servicers. [2] These prudential standards were created collaboratively by CSBS and AARMR, leveraging committees such as the Multistate Mortgage Committee—also known as the MMC, and then officially approved by our Boards and made available for adoption by individual states through law, regulation, or examination process.

Sometimes, however, policy develops from the bottom up, where a single agency identifies a supervisory need, implements a process to address that need, and other states begin to adopt the process until it becomes operating policy across the nation. An example of this is the Multistate Mortgage Examination Manual [3] used by all states for larger exams. The first iteration of this manual was developed by my team in Washington State, then adopted and further enhanced by North Carolina before being adopted by the MMC where the manual was adopted as the standard for all states. And it has even been used by federal agencies to enhance their own process.

You see … coordination and collaboration really work.

The beauty of these approaches is that we don't have to achieve perfect agreement to be effective. In fact, agreeing to coordinate and collaborate can be the policy itself. When we coordinate effectively, we multiply our impact. Oversight becomes stronger. And the system becomes more resilient for all.

States have coordinated bank supervision across multiple jurisdictions for over a century, and nonbank supervision for decades. And what we've learned is this: coordination isn't just about efficiency—it's about adaptability. In moments of disruption, a networked system allows us to respond quickly, effectively, and in alignment with real-world needs.

Finally, I ask you to consider that some policies, especially in the regulatory space, must endure alongside the politics of the day. Otherwise, the mechanisms that allow industry to operate and regulators to supervise become uncertain, leading to possible instability in the marketplace itself. A place none of us wants to go.

The benefits of a summit like this can be far-reaching when we learn from one another, challenge our assumptions, and strengthen the foundations we all rely on to do our jobs. Whether that is making supervisory policy or making loans.

Thank you for being here and for your continued leadership on the future of mortgage policy.

Endnotes

- 1 CSBS, The Making of NMLS - Podcast Series
- 2 CSBS, CSBS Releases Model State Regulatory Prudential Standards for Nonbank Mortgage Servicers
- 3 CSBS, Multistate Mortgage Examination Manual

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