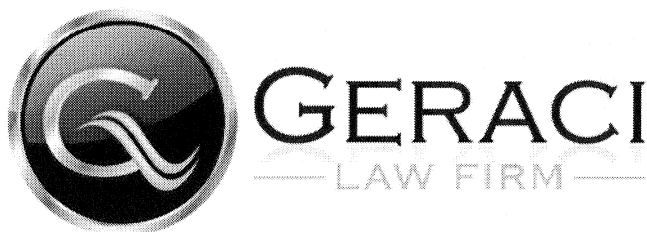


You're receiving this email because of your relationship with Geraci Law Firm. Please confirm your continued interest in receiving email from us.

You may unsubscribe if you no longer wish to receive our emails.



1920 Main Street, Suite 640
Irvine, California 92614
Telephone (949) 379-2600
Facsimile (949) 379-2610
www.geracilawfirm.com

Monthly Newsletter - January, 2009

Issue: # 2009-1

January 2009

Dear Anthony,

2009 is poised to be a troubling year for mortgage lenders and brokers. In every state a flurry of legislation is attempting to be passed in such rapid form that it is hard to keep up. With that said, we'll stay on top of these issues and try to keep you updated.

In this edition we will also share with you some recent victories Geraci Law Firm has had on behalf of clients and share with you some exciting things happening with our firm.

Federal Legislation Enacted Chaging Truth-in-Lending Act & RESPA

by Anthony F. Geraci, Esq.

By now I am sure you are all familiar with the changes to the Truth-in-Lending Act poised for enforcement on October 1, 2009 and April 1, 2010. If you are not, here's a very brief summary:

A. Truth-in-Lending Act Changes

1. Effective October 1, 2009, any mortgages that are 1.5 percent above Freddie Mac's "average prime offer rate" (currently 5.5%) for first liens or 3.5 percent for junior liens are now classified as "higher priced mortgages." If your mortgage is a "higher priced mortgage," then you must start verifying the borrower's ability to pay back the mortgage loan. If you do not, you're opening yourselves (the lender) up to Section 32 liability, which means a free loan plus actual damages!

If you plan on doing any of these types of loans, you really should put policies in place on how you plan on dealing with this change. If you have any questions regarding how to do this, give us a call.

2. Effective April 1, 2010, servicers *must* impound taxes and insurance for the first year on all first lien, owner-occupied mortgages.

For more information on these changes, go to the Federal Reserve Board

B. RESPA Changes

Effective January 16, 2009, RESPA has changed the Servicing Transfer Notice [Section 2605(a)] to reflect simply a requirement to notify the applicant whether the servicing would be or is likely to be transferred. The disclosure no longer has the signature requirement prior to closing.

Practical Note: Even though this new disclosure is required, it seems there are still auditors writing up licensees for NOT keeping a signed copy. You should contact your licensing entity to ensure they're familiar with this amendment. If not, you may want to use the old one to not deal with the

In This Issue

[Federal Legislation](#)

[Litigation Highlights](#)

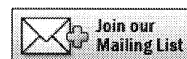
[Transactional Highlights](#)

[Solutions, Not Problems](#)

[Services Offered](#)

Quick Links

[Register Now](#)
[More On Us](#)



Services Offered

[Banking & Finance](#)

[Real Estate](#)

[Securities](#)

[Bankruptcy](#)

[Estate](#)

[Family Law](#)

[Litigation](#)

[Appeals](#)

headache of educating your auditor.

Geraci Law Firm's Litigation Team Successful in 2008/2009 Arbitrations, Trials and Settlements

Geraci Law Firm has had many successes in litigation for its clients throughout 2008 and 2009. Highlights are as follows:

July, 2008 The trial team of Christina L. Geraci and Anthony F. Geraci successfully defended a client from contributions due under a promissory note where the client never signed under the promissory note and never agreed, orally or otherwise, to obligate himself on the note. Geraci Law Firm succeeded on its cross-complaint for costs and fees.

November, 2008 The trial team of Anthony F. Geraci and Steve Pornbida successfully settled a matter for a lender who clearly violated HOEPA. Geraci Law Firm negotiated the settlement where the broker paid the borrower's attorneys fees and the lender re-wrote the loan, which was in default. The lender now has a performing loan, free of HOEPA claims.

January, 2009 Steve Pornbida tried and received a defense verdict in a highly contested auto-accident case wherein Plaintiffs complained of needing significant medical treatment and pain and suffering. Geraci Law Firm's expert showed there was no causation between the medical complaints and the impact of the accident itself, negating Plaintiff's negligence complaint.

January, 2009 Anthony F. Geraci arbitrated a case on behalf of a broker required to repurchase a loan where the buyer (a leading financial institution) required a complete repurchase without regard to any offsets on the property. The arbitration award included those offsets in the repurchase demand, saving the client over \$100,000.00.

Geraci Law Firm's Transactional Team Highlights

Anthony F. Geraci and Geraci Law Firm created over 50 private placement memorandums and state registered offerings in 2008 for an aggregate offering of over 5.5 billion. Furthermore, Mr. Geraci renewed over 15 state offerings in 2008, and was solicited by the San Jose Business Journal to discuss hard money mortgage pools. The article came out in September of 2008.

In addition, Geraci Law Firm has been involved in the following transactions:

June-December, 2008 Drafted and advised U.S. Bank on commercial loan documents for several loans for in the aggregate of \$10 million.

January, 2009 Advised client on structure and draft corresponding documents of \$2,500,000 convertible promissory note in which client would convert its note into common stock of a company specializing in dairy products.

We Are Committed To Giving You Solutions, Not Problems

Geraci Law Firm is committed to providing you with superior service and giving you solutions, not additional problems, to your questions. Our practice areas are always on the cutting edge and find innovative new strategies to achieve your goals while mindful of your legal costs.

If you have any questions, please do not hesitate to call or email us at the above or below contact information.