



MBAKY Educational Conference, March 14, Holiday Inn Louisville East

Many of us are challenged every day with organization, efficiency and time management. This will be addressed by **Doug Smith** with **Douglas Smith & Associates**, at the 2018 Education Conference on Wednesday, March 14th at the Holiday Inn Louisville East!

Specifically, Doug will address:

- *where are your talents being invested.....as well as wasted*
- *five ways to become more intentional and on-plan daily*
- *becoming more productive, and,*
- *getting more of the right things done every day!*

Throughout the day, industry experts will be discussing a wide range of topics that impact YOU and YOUR business today, including; the state of the industry nationally, the national MBA's work on behalf of the industry in Washington, D.C., Rural Housing, Kentucky Housing, capital markets, digital marketing.....and more!

Other confirmed speakers at this event include the following:

Chris George - MBA Chairman & CEO of CMG Financial
Wesley Smith - Fannie Mae
Andrea Kozek - MGIC
Blaine Barnes - Rural Housing, and,
Brenda Walker - Kentucky Housing

The **Sponsor/Exhibitor Trade Show start at 8:00AM** where attendees will have time to meet with exhibitors and network with other industry professionals, before the welcome and presentations begin at 9:00AM. Our sponsor/exhibitors include; **Arch MI, CBCInnovis, Ellie Mae, Essent Guaranty, Huntington National Bank TPL Division, Kentucky Association of Counties, MGIC, Movement Mortgage, National MI, Next Step, Prime Lending, and RDIAN!**

Registration for this event for members is only \$140/person, including lunch, and with 5 or more registrations, \$125/person. Registration can be done online at the site below:

<http://www.mbaky.org/2018-education-conference/>

Recap—MBA of the Bluegrass Lunch & Learn “The Effects of the New Tax Bill” With Christopher B. Besten, CPA

The 2017 Tax Reform Legislation. What’s in it? How will it affect home owners? How will it impact the mortgage lending process? To help with those questions and many more the MBA of the Bluegrass was privileged to have Christopher B. Besten, CPA and Partner with Besten & Dieruf PLLC, discuss the new laws at the February 20 meeting at Malone’s Prime Events.

Officially known as H.R.1, the provisions are generally effective January 1, 2018 through December 31, 2025. After that date, with some exceptions, the rules revert back to the existing law.

The highlights of the new legislation include:

Standard deduction: The new law increases the standard deduction to \$12,000 for single filers and \$24,000 for joint filers. For many homeowners it no longer makes sense to itemize deductions.

Mortgage interest deductions: The new law caps the limit on deductible mortgage debt at \$750,000 for loans taken out after December 14, 2017. (Loans made before that date can continue to deduct interest on mortgage debt up to \$1 million.) Homeowners can refinance mortgage debts that existed before December 14 up to \$1 million and still deduct the interest as long as the new loan does not exceed the amount refinanced. The interest on a home-equity loan can be deducted as long as the proceeds are used to substantially improve the home. Mortgage interest on second homes can be deducted but is subject to the \$750,000 limit.

On the next two pages Mr. Besten provided a high level overview. He can be reached at (859) 254-4427 or chris@banddcpa.com. The website is www.banddcpa.com.



BESTEN & DIERUF PLLC

CERTIFIED PUBLIC ACCOUNTANTS

QUICK TIPS: 2017 TAX REFORM IMPACT ON INDIVIDUALS

On Wednesday, December 20th, 2017, Congress passed a comprehensive tax reform bill (otherwise known as “H.R.1”). It has now been signed by the President. Except where noted, the provisions of H.R.1 outlined in this summary are generally effective **January 1, 2018** through December 31, 2025. After that date, with some noted exceptions, the rules revert back to existing law. The Act will have a significant impact on the taxation of corporations and individuals, and we encourage you to speak to us to understand how these changes specifically impact your financial picture. The purpose of this document is to provide a high level overview of the impact of selected provisions of H.R.1 on US individuals, and to present topics to discuss as part of year-end, and on-going tax planning.

Following are some highlights of the Tax Reform changes for 2018. Please call us with any questions about how these changes will impact your tax situation.

Individual Tax Rate Changes

Pre-Reform 2018 Tax Rules

- Maximum tax rate is 39.6%
- Rates associated with specific income brackets are designated below:

Post-Reform 2018 Tax Rules

- Maximum tax rate reduced to 37%
- Rates associated with specific income brackets are designated below:

Taxable Income			Taxable Income		
RATE	SINGLE	MARRIED	RATE	SINGLE	MARRIED
10%	\$0-\$9,525	\$0-\$19,050	10%	\$0-\$9,525	\$0-\$19,050
15%	\$9,526-\$38,700	\$19,051-\$77,400	12%	\$9,526-\$38,700	\$19,051-\$77,400
25%	\$38,701-\$93,700	\$77,401-\$156,150	22%	\$38,701-\$82,500	\$77,401-\$165,000
28%	\$93,701-\$195,450	\$156,151-\$237,950	24%	\$82,501-\$157,500	\$165,001-\$315,000
33%	\$195,451-\$424,950	\$237,951-\$424,950	32%	\$157,501-\$200,000	\$315,001-\$400,000
35%	\$424,951-\$426,700	\$424,951-\$480,050	35%	\$200,001-\$500,000	\$400,001-\$600,000
39.60%	Over \$426,700	Over \$480,050	37%	Over \$500,000	Over \$600,000

This information has been compiled by Besten & Dieruf, PLLC and is being provided to you for informational purposes only. This material does not provide individually tailored investment advice or offer legal, tax, regulatory or accounting advice. By providing this material to you, we are not advising you to take any particular action based on the information or opinions or views (if any) contained in this material. Prior to entering into any proposed transaction, you should determine, in consultation with your advisors, the potential economic, legal, tax, regulatory and accounting risks, merits, characteristics and consequences of the transaction.

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Key Provision Changes

Pre-Reform 2018 Tax Rules

Individual Standard Deduction/Personal Exemptions

- Standard deduction is \$13,000 (married) and \$6,500 (single)
- Personal exemption of \$4,150 phased out for higher income

Post-Reform 2018 Tax Rules

- Standard deduction nearly doubled to \$24,000 (married) and \$12,000 (single)
- Personal exemptions repealed at all income levels

Medical Expense Deduction

- Floor of 10% of AGI before deduction can be taken

- Floor reduced to 7.5% of AGI for tax years 2017 and 2018

Like-Kind Exchanges

- Allows for the disposal of an asset and the acquisition of another asset without generating a current tax liability from the gain on the sale of the first asset.
- Applies to like-kind exchanges of real property as well as certain categories of personal property

- Limits applicability to like-kind exchanges of real property that is replacement not held primarily for sale.

** This does not expire in 2025.

Pass-Through Deduction

- Income received from partnerships, S corporations, or sole proprietorships is passed-through to the owner's individual tax returns, where it is taxed as ordinary income

- There is a new 20% deduction for qualified business income from a partnership, S corporation, or sole proprietorship

Charitable Deduction Changes

- Cash gift to public charities is deductible as long as it doesn't exceed 50% of the taxpayers Adjustable Gross Income (AGI)
- 80% of value spent on university athletics seating rights can be deducted

- Cash gift to public charities is deductible as long as it doesn't exceed 60% of the taxpayers Adjustable Gross Income (AGI)
- 80% deduction for university athletic seating rights is repealed

Gift/estate/generation- skipping transfer (GST) tax exemption

- Estate, gift and GST tax exemptions are each \$5.6 million per US domiciliary

- Doubles the estate, gift and GST tax exemptions to \$11.2 million per US domiciliary
- Like most individual provisions, the exemptions sunset after 2025 and revert back to the law in effect for 2017 with inflation adjustments; possibility for "clawback" at death if law is not

Child Tax Credit

- \$1000/Qualified Child
- Phase-out of credit begins at \$75,000 (single) and \$200,000 (married)

- Increases to \$2,000/qualified child, with \$1,400 being refundable
- Phase-out of credit begins at \$110,000 (single) and \$400,000 (married)

Individual Mandate/Health Insurance

- Requires most Americans to purchase health insurance coverage; taxpayers must submit proof of healthcare coverage with their tax return or pay a penalty

- Individual mandate is repealed

Capital Gain/Qualified Dividend Rate (Unchanged)

- Maximum tax rate on capital gains and qualified dividend income (before 3.8% net investment income tax) is 20%

Split the Pot Charity

At the February 20 General Membership Meeting the attendees donated \$100 for the Chrysalis House. Thank you!



2018 MBA of the Bluegrass Inc. Board Officers

President—Abdul Muhammad, (859) 244-7254, AMuhammad@wesbanco.com

President Elect—Jason Heflin, (859) 621-6592, JHeflin@loandepot.com

Secretary—Mitch Florence, (859) 327-8396, mitch.florence@bankatcity.com

Treasurer—Tyler Gossett, (859) 588-5820, tyler.gossett@53.com

Past President—Will Puckett, (502) 418-4902, will.puckett@pnc.com

2018 Membership Renewals—There's Still Time to Renew!

Membership renewal packets were mailed to 2017 members the first week of December. Included in the packet were a **President's Letter** by President, **Abdul Muhammad**, the **invoice for \$325**, the **membership renewal form**, and a **roster of members that we currently have on file for each firm**. 2018 will be an exciting year so you won't want to miss it!



If, for some reason, your firm didn't receive a packet please let us know by e-mailing mbabluegrass@aol.com. Just mail the renewal form, check, and any roster changes to:

MBA of the Bluegrass

PO Box 1054

Lexington KY 40588

MBA of the Bluegrass 2018 Board Officers and Directors

Board Officers—

Abdul Muhammad —President, WesBanco Bank
Jason Heflin—President Elect, loanDepot, LLC*
Tyler Gossett – Treasurer, Fifth Third
Mitch Florence – Secretary, City National Bank
Will Puckett—Immediate Past President, PNC Mortgage*

Directors—

Brenda Weaver—ehome Network*
Tim Vaughan—Fairway Independent*
Bryan May—Century Mortgage Company
Alison Sheshull—Bluegrass Land Title LLC
Sherri Wagerman—MGIC
Wayne Thompson—Bankers Mortgage Consulting*
Marcie Morris—Kentucky Housing Corporation
Mellissa Buckley - Fidelity National Title Group*
Lisa Smith – Movement Mortgage, LLC

*Past Presidents

Looking for Members!



Do you know a bank, an attorney, a title company, an insurance company, or mortgage lender who should be a member of the MBA of the Bluegrass??? Please be inviting! **Contact any of the board members listed on the website.**

Title: MBA Statement on Flawed Reveal News Analysis on Mortgage Lending**Source: MBA****Date: February 15 2018****Contact: John Mechem, jmechem@mba.org****Washington, D.C. (February 15, 2018)**

The Mortgage Bankers Association (MBA) today released the following statement on the flawed Reveal News analysis on mortgage lending:

"There is no place in our society for discriminatory lending practices and MBA and its members continue to support policies that ensure fair and equal access to mortgage credit regardless of race or ethnicity.

"The story released today by Reveal News is deeply flawed and does a disservice to the important issues of access to credit and fair lending. Most importantly, Reveal fails to take into consideration several key components that form the backbone of lending decisions: a borrower's credit history, debt-to-income (DTI) ratio and loan-to-value (LTV) ratio. These are the most important components lenders consider when underwriting a loan. The Federal Reserve and other regulators have been clear in saying that denial disparities in the HMDA data are not in themselves determinative with respect to assessing fair lending. Fair lending examinations include a much richer set of information regarding loans and borrowers.

"While Reveal acknowledges these factors were not included in their analysis, it suggests it is because banks won't disclose this information. The fact is that federal privacy laws explicitly prevent banks from doing so. It is important to know, however, that federal regulators do have access to all necessary information when reviewing discriminatory lending patterns.

"MBA shared its concerns about this flawed approach with the authors and editors in advance of the publishing of this story, but our facts fell upon deaf ears.

"The authors also made the curious decision to limit their analysis to only 'conventional' loans, specifically excluding mortgages guaranteed by the Federal Housing Administration (FHA). The FHA program is designed specifically to help borrowers with lower credit scores and small down payments. By excluding FHA loans from its analysis, the authors purposefully ignored a sizeable share of the home lending market that provides homeownership opportunities for lower income and traditionally underserved borrowers.

"The issue of fair lending is an important one, and MBA has and will continue to advocate for policies that responsibly promote expanding the credit box in order to serve borrowers of all demographics and income levels. Unfortunately, this story does little to contribute to a productive dialog."



Get the Gift You REALLY Wanted for the Holidays...

Get \$10,000 for your home purchase if you live in
Christian, Hardin, Jefferson, or Kenton counties.

Kentucky Housing Corporation (KHC) is offering its **Hardest Hit Fund Down payment Assistance Program (HHF DAP)*** – which provides first-time home buyers with **\$10,000** for down payment and closing costs assistance for the purchase of existing properties. HHF DAP funds are first-come, first-served, beginning with new reservations **Tuesday, January 9, 2017**.

Contact KHC Single-Family Programs toll-free in Kentucky
at 800-633-8896 or 502-605-1320, or TTY 711.

www.kyhousing.org



Facebook.com/KYHousing Twitter.com/KYHousing YouTube.com/KYHousingCorp



Restrictions apply; please visit KHC's website for full details, including income and purchase price limits.

**New reservations only. Applicant must meet secondary market income and buying limits.*

Subject to availability of funds. HHF DAP is only available in Christian, Hardin, Jefferson, and Kenton counties.

2018 Committees

The next two pages have the committees for 2018. If you want to plug in and do more for the MBA of the Bluegrass please contact one of the board officers or committee chairs.

Legislative—Is responsible for reporting to the Board of Directors and the membership any current activity on local, state, or national legislative issues.

Committee Chair—Tim Vaughan, (859) 327-0085, tim.vaughan@fairwaymc.com

By-Laws/Ethics—Reviews the by-laws and proposes any changes that are necessary. Responsible for inquiries or accusations against members and reporting to the Board of Directors their findings and recommendations.

Committee Co-Chairs—Brenda Weaver, CMB, (844) 243-4663, bweaver@ehomenetwork.org and Sherri Wagerman, (502) 930-2697, sherri_wagerman@mgic.com

Finance—Shall prepare a budget of the estimated income and expenses of the organization for the year.

Committee Chair—Tyler Gossett, (859) 588-5820, tyler.gossett@53.com

Membership—In charge of recruitment and retention. They will devote their attention to the proper welcoming of new members and guests and to strive to encourage friendships among members.

Committee Chair—Abdul Muhammad, (859) 244-7254, AMuhammad@wesbanco.com

Affiliate Relations—This committee is responsible for promoting and recruiting affiliate members to the organization. This involves planning and conducting special events for our affiliates.

Committee Chair—Alison Sheshull, (859) 771-6423, alison@bluegrasslandtitle.com

“Remember, members do business with members.”

2018 Committees Continued:

Education/Programs—This committee is responsible for organizing meetings, identifying location, scheduling speakers, and securing sponsorships for the events. Additionally this committee is responsible for arranging any special events like the golf outing and Christmas party. This committee selects topics, arranges dates/times, and secures speakers for Educational Roundtables to educate the membership.

Committee Chair—Jason Heflin, (859) 621-6592, JHeflin@loandepot.com

PR/Communications/Social Media—Supplies monthly notices concerning the organization meetings and other interesting information of the membership to newspapers, radio and television stations.

Committee Co-Chairs— Lisa Smith, (502) 381-2886, lisa.smith@movement.com, Jason Heflin, (859) 621-6592, JHeflin@loandepot.com, Wayne Thompson, wthompson@bankersmortgageconsulting.com

Awards

Committee Co-Chairs—Wayne Thompson, wthompson@bankersmortgageconsulting.com, and Brenda Weaver, CMB, (844) 243-4663, bweaver@ehomenetwork.org

Nominations

Committee Chair—Will Puckett, (502) 418-4902, will.puckett@pnc.com

Important Websites to Know

Mortgage Bankers Association of Louisville

<http://www.mbalou.org>

Mortgage Bankers of Kentucky

<http://www.mbaky.org>

The National Mortgage Bankers Association

<http://www.mortgagebankers.org>

Mortgage Fraud Blog

<http://www.mortgagefraudblog.com/>

FBI Mortgage Fraud

<http://www.fbi.gov/page2/dec05/operationquickflip121405.htm>