

From: Steve Herbelin
Subject: CRA Regulations Hearings

Comments:

August 25, 2010

Dear Federal Reserve Board:

If CRA had covered more lenders, the economic collapse wouldn't have been so drastic or could have been avoided altogether. Please expand and modernize CRA to cover more lenders to protect communities and borrowers like me.

Truly it was the altering of income on the loan. I am a victim. The mortgage broker was in possession of my taxes from my tax accountant. Not only was the income altered but the loan application was pulled from my closing documents. The Title Company has no originals on record for review. The original lender nor the servicing lender will send any originating copies, or demonstrate any qualifying under writing.

Purchasing homes through our current fashion leaves the borrower with no recourse to verify the financial legitimacy. I relied on the guidance and trust of an experienced licensed mortgage broker. Just as I would rely on the guidance from a licensed doctor or auto mechanic. As a consumer I should not have to suspect or investigate deception when entering a licensed establishment. I had a large down payment on a three year option arm loan. I never arrived to the year of adjustment on the loan. When the crisis became exposed I only wanted to open communications with my lender but was denied in every attempt. A paid service sent out a Qualified Written Request on my behalf and was also denied. I went back to the brokers office to retrieve a copy of the loan application which had inflated income and no signature of my own on the form. I foreclosed losing everything and took defensive actions to the unlawful detainer court hearing showing the judge my copy of the unsigned loan application. It had no affect to the judgment of eviction.

This should clearly demonstrate that the borrower has no defense or recourse without a legal attorney. I do not feel law amendments or expanding the (CRA) will eliminate deceptive lending practices. The trust has been broken. An alternative would be to create a secondary agency over seeing all transactions prior to and after closing. After closing the new borrower should not be committed to the sale until the agency has conclude the loans overall legitimacy.

Last but not least, the fines to amendments in laws should be substantially increased. My loan consisted of the 20% down payment. I had no Private Mortgage Insurance on this loan. It was only discovered through foreclosure that a lender-paid policy was set in place without my knowledge. It was a privately paid policy and is said that it did not effect my payments. Never the less, I felt it was a violation of the Homeowners Protection Act. The violation to this act if discovered is considered pennies compared to the losses I incurred.

Sincerely,

Steve Herbelin