

From: SunTrust Mortgage, Inc., Michelle Byers
Proposal: 1417 (RIN 7100-AD75) Reg Z - Mortgage Repayment Standards
Subject: Reg. Z

Comments:

Docket# R-1417 and RIN# 7100-AD75

I have been in the mortgage industry for 26+ years and extremely concerned on some of the legislation that has passed and is pending. I did not participate in the "no income, no assets" loans, glad they are extinct, and are happy we are now licensed. There have been a number of necessary changes but along with the intention to clean up the market, there are potential willing and qualified homebuyers that cannot or will not be served due to uncertainty of federal regulations and interpretations. Those items are:

1. Adopt a safe harbor that the ability to repay standard has been met. We need clear and concise standards with a bright line test so that lenders can readily determine and prove their compliance.
2. A higher threshold loan amount, perhaps \$150,000, should be used when determining points and fees limits. Otherwise, it will adversely affect low-moderate homebuyers, minorities and the slump in the housing market (many homes now can be purchased under \$100,00). In addition, the proposed rule adversely impacts affiliated business arrangements which Congress deemed permissible in RESPA. Many fees charged by such third party settlement service providers are prescribed by state law. Therefore, there is no reason to treat affiliated third party settlement service providers differently than those not affiliated with the lender. Please note the affiliation also allows a better quality control and accuracy.
3. The limit on "points and fees" must be revised to exclude employee compensation to avoid double counting of any item.
4. The proposed rule leads to fewer safe and sound product options to consumers due to treatment of private mortgage insurance premiums which likely increase the dominance of government loans in certain markets.
5. The vast quantity of new regulations has caused confusion to the consumers (great example is the Good Faith Estimate that in no way tells the borrower how much money is needed for closing), unbelievable paperwork and stress, and ultimately, difficulty serving our clients in a timely fashion. Many seasoned and knowledgeable loan officers have chosen to leave the market place and very few new ones are entering, which in several years time, will leave a large gap in the industry.

Please publish proposed rules for comment before final adoption and implementation. There are potential and unintended consequences to the consumer that have, and can take place, without discussion and feedback from the mortgage professionals. Or better, I welcome you to please come spend a day with me to get a better understanding of how the regulations affect the communities we work and live in.

Thank you for your time and consideration.

Michelle Byers
SunTrust Mortgage, Inc.