

From: rod k <blonde_blue32@yahoo.com> on 03/26/2008 07:40:04 PM

Subject: Regulation Z

Hello, I hope that this email raises your awareness to some of the problems of the industry, and with the pending proposed regulation. First, I am a mortgage broker, (an honest one.) Why did I say that? Well I recently found out that some brokers fabricated income statements for the benefit of the borrower. I asked around when I went to a local convention class and talked to others in the industry. These actions helped to add to the problems today in the industry. But also, brokers were not the only ones. And in reality, probably the least responsible.

In the lending industry, we had lenders, almost all lenders offering loans to 100% loan to value AND allow all closing costs to be exscreed into the loan. Countrywide did these loans. I know because their rep was begging me to find the borrower. Other lenders, Mostly B/C lenders. Option One (gone now) hsbc (going down.) and many others offering 100%, 110% and even 115% of the appraised value of the loan to people with an heartbeat and good credit at the time. Their reps were calling me too. They were porfolioizing, packaging, and selling these loans to any Chinaman who would buy them- via wall street. (bear stearns, goldman sac's, ect.) The whole scheme was flawed, and no one wanted to be left behind. now for your legislation. you have the brokers disclosing their margin on the loan. But what about the lenders, and correspondant lenders. An Origination fee is the same as a broker fee. Are you going to squeeze brokers out the funding areana? If you do, the the lenders will profit more- more competition-more the customer wins. And further, how are you going to determine that the customer has the ability to pay the mortgage for 6 to 7 years? Customers want to finalize a loan so that they can go out tommarrow to buy a new car. --theirby nullifing all attempts of affordability ratios. Going to be their moral compas? good luck. what do you want to broker to do. Kill em? If the customer originates a loan with a lender, and then afterward goes into a dealership and buys a car, whats the difference? Be sure to include a brain inplant as a requirement with any new home loan application. This might stop them from buying new furniture after the close.

Good Luck.

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