From: "John Henry" <john@adv-mortgage.com> on 03/27/2008 04:10:06 PM

Subject: Regulation Z

Please consider that what you are asking is bad for consumers and bad for small business men like myself.
I belive that what you have outlined is going to slow our nations recovery and is intentionally interfering with the "invisible and free hand of the market."
If you want to really help America quit enslaving all of us by printing money with an inherent interest or debt attached for all americans.
If you really want to help America slow your lending to the savage appetite of the addicted specifically the US Congress and our national debt!
If you keep prining money like hitler then we will all be using wheelbarrels of cash to buy our daily loaf of bread!

In reallity this is not a good policy and as a good fair and honest Mortgage Broker I can not in good concience tell you that it makes sense or would help out the American consumers.
The winners write the history and this is an obvious attempt to rewrite history to say that everyone was dupped by Mortgage brokers into taking bad deals. That is like blamming the car salesman for your Ford Explorer being defective and rolling over because the Firestone tires are defective???

We all know and history will show that the end user the investor on wall street wanted these products out there and were driven by green in a fast rising real estate market. The investors didn't care who had the loan if they defaulted they would get back a property worth more than they had lent to the poor American home owner. Then the banks needed pleanty of people to sell so they of course proliferated and had more and more companies selling these products and underwritting them as fast as they could. The Mortgage Broker was in many cases that I could point to the only voice of wisdom for the prospective homeowner! Many folks were warned of what would happen if they took more than they could afford, always working your way up with sweet equity and dillagence was the best reccommendation. For some who were flipping homes and had a short term profit motive or those who had a complex portfolio and could afford the EZ and private no doc or no ratio loans then those were good products for the right reasons.

The biggest problem is this idea that a Yield Spread Premium is paid to a Mortgage Broker to jack up the interest rate that they are going to charge their buyers with some kind of mallicious nail em as hard as you can and whatever the market will bear mentality. In fact the Yield Spread Premium allows a Mortgage Broker to go to the back door of the bank and get the loan products at a wholesale price! By having the wholesale pricing you are then able to do some outstanding things for your customer, A. you can help someone who dosen't have quite enough for the out of pocket expense at closing to roll in their cost to the loan and pay over the long term.
In many of my loan originations in a competitive market I was able to offer consumers a far lower rate close to the wholesale rate that they could not get at a bank ! These customers were willing to pay a Mortgage Broker Fee of say 2 points on the front of the mortgage fully disclosed and explained to them and over the long term save a substantial amount in thier lower payments.

So I ask you in all fairness to cease this witch hunt and please redraw your proposed rule changes to Reg Z to make it fair to the small business man as well as the consumers.
Please I beg you to quit giving the unfair advantages to the Bank institutions that hold no accountability to the consumer to disclose thier profit margin on the loans they originate on the fron and back side!
And the major banks of today are willing to put in print absolute bold faced lies about how their loans are $0 out of pocket for the consumer and "No Cost." Just walk into any Bank of American and ask to see

their sleek brochure that describes thier no cost loan and then add up the consumers real cost at the closing table, is this fair to anyone???

May God bless you and grant you the wisdom to serve the people of the United States of America faithfully and in their best interest.

----- Original Message -----
From: Florida Association of Mortgage Brokers
To: john@adv-mortgage.com
Sent: Wednesday, March 26, 2008 2:21 PM
Subject:

You're receiving this email because of your relationship with Florida Association of Mortgage Brokers. Please confirm your continued interest in receiving email from us.

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

PROPOSED FEDERAL RESERVE BOARD RULE CONTAINS PROVISIONS TO ELIMINATE THE INDEPENDENT MORTGAGE BROKER!

We need your help!

If you plan on staying in this business, you must respond to our National Call To Action.

The Federal Reserve Board has issued a proposed rule that will potentially and dramatically harm your business. The required public comment period expires April 8th, 2008. Review the information and links below then follow the instructions. Time is very short - get your comments in today!

The Rule proposes multiple changes to the mortgage industry, which include:

- A new category of "higher-cost" loans, which will eliminate stated and no-doc loans under any circumstance.
- New APR triggers of 3% (1st mortgages) and 5% (subordinate mortgages) above the 10-year U.S. Treasury, causing nearly every mortgage made in America to be classified as a "higher cost" loan. As such, the provisions of the Fed Rule will make financing nearly impossible.
- A new disclosure for Mortgage Brokers only that will require you to disclose, before application, what your mortgage brokerage fee (front end AND back end fees) will be on the loan and this cannot change.
- The Originator to determine that the borrower has the ability to repay the mortgage for at least 7 years.

What can you do?

Please have everyone in your place of business submit comments. THE FED RULE COMMENTS NEED TO BE MADE AT ONCE! NAMB has prepared a 3-page bullet-point summary as an outline with guidance on how to write your comments including suggested points. To access summary, please click here. It's very important that you carefully craft your own comments following NAMB's suggested points. In addition, a copy of the entire Fed Rule can be found below. Comments must be RECEIVED (not postmarked) by the Federal Reserve Board no later than April 8th.

You may submit comments, identified by "Docket No. R-1305" by any of the following methods:

- E-mail: regs.comments@federalreserve.gov. Include the docket number in the subject line of the message.
- Fax: (202) 452-3819 or (202) 452-3102.
- Mail: Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, D.C. 20551.

All public comments will be made available on the Board's Web site at http://federalreserve.gov/generalinfo/foia/ProposedRegs.cfm as submitted, unless modified for technical reasons. Accordingly, comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room MP-500 of the Board's Martin Building (20th and C Streets, NW) between 9am and 5pm on weekdays.
This is a critical time in the mortgage industry and Mortgage Brokers must act NOW! Please submit your comments today!

For more information from FAMB...

To view Draft Federal Register Notice...

To view Highlights of Proposed Rule...

Forward email