

Subject: Regulation Z

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Comments:

I have made the Mortgage Industry my life long career, investing over 30 years performing numerous duties from Quality Control, Underwriting, Secondary Market, Branch Retail Manager and owner of my own Mortgage Broker Company to Sr Loan Originator in 1-4 units, residential. This is the worse that I have ever seen it. I survived the 1970's, 1980's, few blurps in the 1990s. The mistakes that are being made and are about to be made are going to be devastating to Home Buyers and Owners. There are many things that don't need to be fixed. They have already fixed themselves!!!!!!!!!!!!

Wallstreet and their greed have gone away and gotten out of the mortgage business.... There is no need for a new "High Cost Loan" category. The small business owner/self employed borrower will not be able to buy a home. Stated Income loans or no doc loans should be allowed for borrowers that have down payment, reserves, good credit, and are self employed. If you change new APR triggers to 3% and 5% above the 10 year US Treasury, you will classify just about every mortgage made in the USA as a "high cost" loan. The small loan amount home buyer, the very ones you are trying to protect, will never own a home, as you will make financing nearly impossible. The Originator to determine that the borrower has the ability to repay the mortgage for at least 7 years-this is not reality! As loan officers are job is to always make sure that borrowers understand what they are doing. I

put my 1st Time Home Buyers thru a certified class, even if the course is not required-make this law. We all have written guidelines to follow that to some degree are not the best way to do loans, but, meeting and discussing this with borrowers are the most important thing we can do. Get rid of the Fraudsters and take the all might dollar out of the picture.ie RE Agents making 6% for what????? Realtors are very good at telling borrowers what to do.....so they can get a loan! Builders using their own mortgage companies-give me a break, if that isn't a conflict of interest. The same if a RE Agent owns a Mortgage Company-these are all way to closely related for the benefit of the borrower! If you can tell me how I can predict no divorce, no loss of income, no illness I can pretty well tell you the ability of a borrower to repay their debt for at least 7 years.....Go after the REAL REASONS that people can't make their payments! At the present time 92% of all mortgage borrowers are current on their mortgages-this is a very high percentage-with the help of the news and the Federal Govt, this could all be turned around very easily, but helping people get out of these loans. Instead, the two new FHA programs come with much higher fixed rates; the PMI Companies won't insure loans now up to 100% and FNMA/FHLMC has taken the middle score requirements so high that you average credit score borrower is also going to be hit with higher rates-but yet we as originators have a 7 yr prediction window-I don't think so! And last but not least, why are picking on the Mortgage Broker and their fees???????? Do you not understand that every loan originator has to go thru a Lender like the Countrywides, Chase, Wellsfargo and on and on. They review and document every disclosure that the Broker does. There are 4 different disclosures already given to borrowers that disclose fees (get rid of the APR, it is not needed-it confuses the consumer) Lenders make YSP too, they make even more if they keep the servicing of a loan. Banks charge higher rates and make more money of mortgage loan origination than any other source. Again, you guys just don't have this right! A YSP cannot be disclosed to a customer before application - you have to know what rate you are going to "lock in". You have to know if the customer is going to need Broker paid fees paid thru the rate/YSP. Until a loan is locked in, one cannot do that! Changing of fees-those of us who are good in originating loans take pride in our inital good faith being within dollars of what the final settlement statement shows. But, here is my question and hash this around-what about the Atty that sits at the closing table when a borrower sits there saying "this is nothing like we discussed" and lets this loan close!!!!!!!!!! Again, it is all about ethical people doing ethical things.....fix that! Send in auditors to look at files.....I can tell you story after story of customers upset with their Bank/Retail Lender....it is not just Brokers! Because Banks and Lenders are regulated by the FDIC, they feel they have a free ride. I hear it every day-no one will catch us! And one last thing-our credit system is so screwed. The Federal Trade Commision allows Banks, etc to report what ever they want. Credit scoring is the worse thing that ever happened to the Lending Industry. 99.9% of every credit report I pull is incorrect. A person has 1 time over 30 days late with an account they

have had for 20 years and they are "dinged" 30 points. A person has medical collections that they never even knew about and they are dinged. I can pull a triple merge mortgage credit report from 3 different reporting agencies and they are all different with different scores-what the heck???? No wonder consumers are confused! This is the chance that Federal Govt and Ethical people have in my business to get this right! Haste is waste.....talk to us that have worked with Homebuyers all these years.....talk to 1st Time Homebuyers that have lost their homes.....why????? Please get this right!
