

**From:** "Sid Roche @ The Mortgage Home" <tmhi@bellsouth.net> on 04/01/2008 10:25:03 AM

**Subject:** Regulation Z

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At some point in time individuals are going to have to be held responsible for their own decisions and choices however painful the outcome may be. To suggest that Mortgage Brokers are somehow responsible for the problems currently facing our industry is very self-serving on the part of those trying to now regulate every aspect of our lives and pass blame to anyone but those who made the poor decisions in the beginning.

We have now created a society that feels it is not only entitled to everything without having to work but is also not to be held responsible for its poor decisions and greed. Politicians encouraged Lenders to relax lending guidelines therefore making homeownership available to individuals who were not qualified. By relaxing those lending guidelines the greed of others caused them to secure loans on investment properties for which they could not afford, thinking that the run up in real estate values would never end.

In my opinion it was the Real Estate Sales Community, not the Mortgage Broker that caused the rapid and unsubstantiated run up in home prices. It was the Mortgage Lenders who were pressured by Politicians to relax lending guidelines which allowed unqualified individuals the ability to borrow money, not Mortgage Brokers. It was Appraisers who selected the comparable sales to justify the subject property values, not the Mortgage Brokers. In those cases where the appraisals were not justifiable it was the Lenders underwriting teams that failed in their supervision and review, not the Mortgage Broker.

In my area of Rural Northwest Florida it is not unusual for me and my company to invest three, six, nine, twelve months or more into a borrowers loan file before we receive a single penny in payment for our services. We rely on and expect the third party companies to do their part and to do it well as we take great pride in the quality of loan files we submit to our Lenders. Before I opened The Mortgage Home, Inc. in Chipley, Fl some ten year ago the only option for a potential homebuyer was their local bank. The loan program was simple, 20% down on a five

year balloon and fifteen year amortization.

If you did not have 20% to put down and could not afford the monthly payment based on a 15 year amortization, you were not able to buy a home. However, there are millions of Americans who may not be able to meet those restrictive lending guidelines but, are worthy and able to afford a mortgage payment. Your proposed rule is looking to penalize the Mortgage Broker who is not the cause of this problem but in reality has made home ownership possible for more families than any government program or other entity in the history of this country.

Contrary to what seems to be popular belief, not every member of society is entitled to a home loan and that belief is the cause of the problem we face today, not the Mortgage Broker. The Mortgage Broker in the State of Florida is already more heavily regulated than any other entity involved in the mortgage process. The home loan should be available to those and only those who have demonstrated their willingness and ability to pay their debt.

The proposed rule changes will eliminate many hundreds of thousands of Mortgage Brokers (who account for more than 50% of all mortgage loans) across the country and at the same time cause millions of Americans from realizing the Dream of Home Ownership. All of whom are voters.

The 5% of individuals who are currently in default of their mortgage loans are not the fault of the Mortgage Broker. Now don't get me wrong, as I am well aware that there are some bad apples in this barrel as there are bad Lenders, Appraisers, Mayors, Governors, Congress Men and Women, Attorney Generals, Realtors and yes Borrowers.

I strongly believe that Government should not bail out those individuals and Lenders who made very bad decisions and, contrary to what seems to be your belief, these individuals were well informed. If this is allowed to occur accountability will be lost forever and this industry will fail.

As I stated earlier the Mortgage Brokerage Businesses have accounted for over 50% of all mortgage loans placed in this country. Are you prepared to fill that void?

Sincerely

Sid Roche  
President