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I write to you as a small businessman who is witnessing panic driven action to "do something" to fix the mortgage problems. But I view the proposed solutions as poorly contrived by people with good intentions, however, pressured by Congress to fix the problem.

My company, American Home Funding, Inc., (AHF) is licensed as a Correspondent Lender in the State of Florida. We are FHA & VA approved and we originate Conventional mortgages and government mortgages principally for people purchasing homes. In other words, we don't do Sub-Prime and we seldom do refinances. We earn our business with a solid reputation for bringing buyer and seller to the closing table.

I started AHF in June 1999 because my existing company of the same name had been sold to a big Cleveland Bank. I delayed building my new home and invested over \$100,000 of my own savings into this business. At that time I had been a mortgage banker for 13 years. As a result, when I built my first new home in over 31 years in 2005 I probably paid \$300,000 more for it than had I built in 1999 as originally planned.

I just paid a CPA firm \$6,000 to have my financials audited to comply with HUD regulations for FHA loans. In addition I will pay another \$1800-2500 more for the tax returns as well. We have 5 employees and closed about \$41,000,000 in 2007 our lowest amount in 7 years. Our gross revenue was and always has been about 200 basis points before expenses, a modest return and far less than the "big banks". For all our efforts and investment, AHF earned \$31,000 gross profit last year, after layoffs. That's a very small profit for all the risk that I take in that if a loan goes bad for any reason, AHF stands liable to repurchase that loan from the investor that we sold it to.

Without fail, every borrower leaves application with a Good Faith Estimate of Costs (reflecting that our earnings on the loan will be in a range of 1.00% to a maximum of 3.00%). All charges are clearly disclosed and discussed with each borrower in advance, line by line. No charge appears on the final HUD-1 at closing unless it was first disclosed at application or upon change of program or loan amounts.

In short, AHF is not the type of company you need to further smother with onerous regulations. We serve our constituents with pride, honesty and integrity. We did one (1) Option ARM in our history that had negative amortization, and that was at the insistence of the borrower who was first warned by me in writing that it was a bad product. It was a Countrywide product.....look what that type of business earned them.

Congress, and the likes of Senators Dodd and Frank were the very people strong arming the major lenders like Bank of America and Citi and JP Morgan Chase and Countrywide to make more affordable loans available to marginal first time homebuyers. They used regulations to threaten and coerce these lenders into making risky loans to people, (risking millions of dollars in earnings) many of whom had no business or the common sense to be homeowners in the first place. They literally forced these banks and GSE's to loosen guidelines to the ridiculous point that often people with 580 credit scores were given "A paper" loans where the total monthly debt including other consumer obligations was equal to as high as 65% of their gross, yes I said, gross income. These were risky borrowers not people with 750 credit scores.

Of course everyone threw common sense out of the window when Credit Scoring became the rage and about good old fashion common sense underwriting where a decision is made upon certain factors, like

the buyers ability to actually make the payments. Fannie & Freddie approved these crazy loans with crazy debt ratios through their automated underwriting systems that were tweaked to please Congress's demands. Now

Congress is outraged at the mortgage mess they helped to create. Mortgage Brokers and Lenders merely sold what we were given and played by the rules as laid out. We couldn't turn down a loan when we thought buyers couldn't make the payments, especially if the automated system had approved the buyers with the crazy debt ratios. In many instances that would have been view as discrimination.

The consumer needs to be protected and much of the new goals and proposals by the Fed are long overdue, but you are literally killing off an industry in favor of big banks.....who are more responsible for these problems in the first place because of their deceitful packaging of these products and eventual sale to unsuspecting investors. We didn't make the "car" we sold what we were given and the public had grown to demand from us.

More importantly, look at what our industry has already done for itself....you virtually can't find a combo loan anymore (first and second combined to do away with private mortgage insurance). Credit scores have been increased to the point that if you have a credit score of less than 720 you will pay an additional \$1000 more for your loan to get the same rate as the buyer(s) with scores over 720.....that's absolutely grand theft and it's Fannie Mae who's doing it. How does this help the consumer?

Mortgage brokers and correspondent lenders represent many "major lenders". AHF does business primarily with Citi, JP Morgan Chase, SunTrust and we are approved with others. Many retain the servicing on the loans but later on in the process they sell them off to raise capital. Others sell them off immediately to Wells, Countrywide, Bank of America and many other "big boys". We comply with each of these lenders sets of guidelines plus those of Fannie, Freddie, FHA and VA and the State of Florida.

It is virtually impossible to guarantee a rate to a borrower who hasn't even signed a piece of paper or applied for a mortgage. To do so means you The Federal Reserve Board should first make interest rates stagnant so we don't have to experience multiple rate changes on an hourly basis like the stock market. To do so would virtually kill the financial industry and be socialistic. Of course you can't because our markets would really fail then.

To quote a buyer what our commission is when we don't even know what lender we are delivering their loan to or what that buyers credit profile and qualifications are is to give them "free of charge" the ammunition to abuse our good will and nothing more. It's ludicrous and if Brokers are the only ones who have to do so, it's definitely discriminatory in favor of "the big banks".

Mortgage Brokers and Lenders are the first point of contact with first time homebuyers. Unless we close a loan, originators are not even paid a salary or commission. We work very hard for our clientele. We educate buyers, we work with other creditors they may have, we advise them on proper practices to assist them in making good decisions, we are their financial counselors from start to finish often times saving them from poor decisions or loan products but always providing them with the American Dream, their new home.

With limited capital and resources we compete daily with the direct lenders like Wells Fargo, Bank of America, Chase, SunTrust etc., who are also some of the nations largest wholesale lenders. Generally we offer better or comparable interest rates to our customers. We have to compete for their business just as anyone else does. In short we act as the loan officers for these direct lenders when we are delivering loans to them. We close our customers loans in our own name (AHF) and deliver them at the closing table simultaneously to the direct lender.

The direct lenders also sell the loans they make in their retail branches merely as a course of doing business. They don't, however, send their clients a letter saying "we just sold your loan to Countrywide or Bank of America and guess what, we earned \$4,322.39 for giving up the servicing rights". Why should

they, who cares? What financial benefit does it bring to the borrower? My answer is "none".

Buyers care about one thing, the interest rate that they negotiate and lock in. Never have I ever had a buyer question me about how much money in dollars AHF earns on their loan. So why then do I now have to give them another disclosure stating what I am getting for selling the Servicing Rights to the very banks that don't have to disclose what those rights are worth to them.

Yes, there are "bad actors" in our business, just like in every profession but why punish us for the Sub-Prime mess? We didn't do it!!!

The new 4 page Good Faith Estimate, with all due respect, is "a joke" and it reads like a lawyers guide to redundancy. I have been in the mortgage lending field for 22 years, and consumer and commercial lending another 21 years, I find it confusing and onerous. I would challenge a member of the Board, to sit down with a lender, un-rehearsed and attempt to explain or understand this form.

These redundant forms assume that the consumer is an idiot and can't make a decision for him or herself. This is not yet a socialist society.

How many American Citizens got so greedy these past five years to the point that they took out huge second mortgages on their homes that had appreciated 200-400% over the past twenty years and then went from town to town to speculate on real estate? How many unscrupulous realtors convinced these citizens (without regard to their risk or finances) that they would be millionaires in a couple of years? How many of these citizens committed "fraud" on their loan applications or took out risky loans with the intention of cheating the lenders out of an income stream in the first place, because they were going to "flip" that house in 3 months? How many of these citizens knew full well what they were doing and didn't care because all they could see were dollar signs? Now they lack the integrity to fulfill their legal obligations.

IN SUMMARY: A LOT OF PEOPLE ARE RESPONSIBLE FOR THIS MORTGAGE MESS.....THE BEAR STEARNS AND WALL STREET BANKERS WHO PACKAGED THESE SUB-PRIME LOANS ARE THE BAD ACTORS TOO, NOT THE LOWLY MORTGAGE ORIGINATORS WHO WILL BE PUT OUT OF BUSINESS WITH THIS "ONE SIDED" LEGISLATION.

If you really want to help America's citizens, then listen to the Originators not the politicians who are more concerned with feathering their political nests by appearing to be doing something good for America.....they aren't they are destroying an industry.

I hope my comments, although somewhat passionate, will strike a cord in your hearts and minds that a hasty and poorly thought out solution will only serve to further damage our country and industry.

Thank your for considering my comments.

Respectfully,

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