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Subject: Regulation Z

As an HONEST mortgage broker, I provide a service to my clients. Around 50% of US loans are Originated by Mortgage Brokers. There is a reason for this!

In all instances I gave my clients the opportunity to pay more of my fee rather than get compensated by the bank through the YSP. In the majority of cases they would rather have the bank pay me than pay my fee. As long as it's disclosed which is BY LAW, why is there a problem? If you eliminate the YSP and require us to get fully paid by the Public/Client- then Mortgage Brokers will go out of business.

Banks and Lending institutions don't have to disclose what they are making on loans!

There is already -ample regulation- disclosing the YSP. on TIL and Reg Z and GFE. I would suggest enforcement of the current RESPA law rather than killing an industry that around 50% of the public uses. The marketplace is already getting rid of high risk loans on it's own by NOT HAVING THE SECONDARY MARKET BUYING THEM. OR by making the pricing of those loans so unattractive that they die off anyway. Example: 1 month ago there were high quality (high credit score) Stated Income Stated Asset (SISA) streamline loans. (I did one last month.) They had minimal documentation aside from requiring a 720+ credit score. THEY work for excellent credit buyers who are self employed, and are very low credit risk. THEY ARE GONE FROM THE MARKET PLACE now because no one is buying them. So My ability as a Mortgage broker to do them is also gone.

"High risk" "problem loans" solved

If you address the problem from the secondary market you can much more effectively curtail the high risk loans. But there is a legitimate need for mortgage brokers and their ability to be compensated by Lenders not customers. Most of the Public like it that way. PLEASE don't kill the Mortgage Brokers by getting rid of the YSP or Stated Loans or No Doc loans. There is a place for them in the market and pricing and secondary pricing should let the market decide the risk and the premium price associated with that risk. There are legitimate business owners who will not qualify for home ownership without Stated loans. Their Adjusted Gross income is so low (because of the business deductions) they won't qualify for full doc loans.

And at this time with the Real Estate and credit problems we have is that really what we need?

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