

**From:** "Lawanna Crile" <lcrile@amfhm.com> on 04/01/2008 03:15:03 PM

**Subject:** Regulation Z

Dear Ms. Jennifer J. Johnson

Secretary, Board of Governors of the Federal Reserve System

I have received some emails stating:

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 backend 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.

My response:

These changes, if implemented, will cause consumers to suffer, it will eliminate a large number of homeowners. The Stated Income loan DID NOT cause the problems in the mortgage market, The STATED INCOME loan is available to borrowers that have PROVED credit worthy. Eliminating these loans will cause an even larger slump in the housing industry.

The borrowers of the loan programs that have caused the foreclosure market have not taken the responsibility they should. Each potential homeowner only wanted to hear "how much a month and am I approved", most do not remember me or the other responsible mortgage brokers telling them "the loan will adjust to a higher payment in 24 months, do not wait that long, make your payments on time for 12 months and call me, I will refinance you on a fixed rate loan before the adjustment period". Selective hearing!

The stated income loan has helped college students become landlords, it has helped single mom's (with savings) that have relocated and not yet found employment in a new city secure a home for her family in a safe, clean neighborhood, it has helped a large number of self-employed borrowers become homeowners.

As for disclosing our wage earned per loan (fees); The fees we earn, I am W2 commissioned, are not causing delinquencies and foreclosures. Most of us cannot afford health insurance, muss less a retirement plan. I cannot speak for every Loan Officer, but I have been in this industry for 25 years, I have never received a disciplinary action and I consider the borrowers needs before my profit margin. I disclose my profit on the Good Faith Estimate and doing so has no power to avert a potential future foreclosure.

If the statement above is true that a borrower must prove the ability to repay the loan for seven years

prior to being granted a mortgage loan, this alone will eliminate 99.99% of potential homeowners.  
Please tell me this is not a consideration

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