Subject:	Regulation Z

Date:	Apr 04, 2008

Proposal:	Regulation Z - Truth in Lending
Document ID:	R-1305
Document Version:	1
Release Date:	12/18/2007
Name:	Ligia Ricarte
Affiliation:	
Category of Affiliation:	
Address:	1st Choice Mortgage Equity Corp Of Lexington 1021 Briargate Circle
City:	Columbia
State:	SC
Country:	UNITED STATES
Zip:	29073
PostalCode:	

Comments:

April 4, 2008 Jennifer J. Johnson, Secretary Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue, NW Washington, DC 20551 RE: Docket No. R-1305 Dear Secretary: As a mortgage professional, I strongly support measures that enable consumers to choose the most appropriate loan and the highest quality service at the best price, without confusion, bias or deception. I embrace initiatives by the Board of Governors of the Federal Reserve that foster fair competition among various mortgage originators and thereby increase access to loan choices for consumers. I do believe however that the 7 year proposed ability to repay a mortgage loan is undoubtedly unreasonable, as anything could happen and no one can predict a life changing event as far as 7 years. In addition, I do not agree with the lowering of the Threshold triggers to 3% on first liens and 5% on 2nd liens. As everyone is well aware due to current economy, FNMA/FHLMC fees as well as the Mortgage Insurance companies fees have increased, which those fees as well as others significantly impacts the APR. By lowering the Threshold a large portion of our prime market consumers will fall into the high cost market making it impossible for a prime borrower to get a loan, as most of the lenders currently do not make high cost loans. In light of everything, I truly believe that the Threshold triggers should not be changed as this would best serve the majority of our customers and industry at best. In reference to the Yield Spread fee being required to be given prior to application, this is truly not feasible. This is due to at the time of application the Originator does not know the customer's credit score or what program he/she can qualify for. Unless all investors carried same fees and same qualification criteria, this is just impossible. Loan Originator would have to lock the loan at time of application, which would eliminate the ability for customers to float their rates. These rules should be for the benefit of the consumer and not a detriment. I hope the Board take these concerns into consideration, and develops a better solution for our mortgage industry. Sincerely, April 4, 2008 Jennifer J. Johnson, Secretary Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue, NW Washington, DC 20551 Dear Secretary: As a mortgage professional, I strongly support measures that enable consumers to choose the most appropriate loan and the highest quality service at the best price, without confusion, bias or deception. I embrace initiatives by the Board of Governors of the Federal Reserve that foster fair competition among various mortgage originators and thereby increase access to loan choices for consumers. I do believe however that the 7 year proposed ability to repay a mortgage loan is undoubtedly unreasonable, as anything could happen and no one can predict a life changing event as far as 7 years. In addition, I do not agree with the lowering of the Threshold triggers to 3% on first liens and 5% on 2nd liens. As everyone is well aware due to current economy, FNMA/FHLMC fees as well as the Mortgage Insurance companies fees have increased, which those fees as well as others significantly impacts the APR. By lowering the Threshold a large portion of our prime market consumers will fall into the high cost market making it impossible for a prime borrower to get a loan, as most of the lenders currently do not make high cost loans. In light of everything, I truly believe that the Threshold triggers should not be changed as this would best serve the majority of our customers and industry at best. In reference to the Yield Spread fee being required to be given prior to application, this is truly not feasible. This is due to at the time of application the Originator does not know the customer's credit score or what program he/she can qualify for. Unless all investors carried same fees and same qualification criteria, this is just impossible. Loan Originator would have to lock the loan at time of application, which would eliminate the ability for customers to float their rates. These rules should be for the benefit of the consumer and not a detriment. I hope the Board take these concerns into consideration, and develops a better solution for our mortgage industry. Sincerely, Ligia Ricarte Compliance Officer 1st Choice Mortgage Equity Corp of Lexington 1021 Briargate Circle Columbia, SC 29210