

From: "Tony Iannotta" <tony@islandmtg.net> on 04/03/2008 08:25:03 AM

Subject: Regulation Z

To Whom It May Concern:

In reference to the above mentioned docket number the recommend changes will negatively impact the mortgage industry and the consumer. The mortgage crisis was caused by banks who allowed (such as Washington Mutual, Countrywide , Bank United and sub prime lenders) mortgage brokers to sell mortgage products with minimum requirements for qualification (no income- no assets) and paid the broker higher compensation for selling the borrower, negative adjustable rate programs, higher margins and prepayment penalties. The option ARM was the leading product to the destruction of the mortgage industry. The banks fell asleep the last couple of years with the underwriting guidelines and depended more on selling the mortgage to the secondary markets to increase their earnings . If you want to fixed the problem listed below are my suggestions:

- 1- Cap the yield spread plus the fees that mortgage brokers can earn per file
- 2- A broker should be tested on how to underwrite a borrower's debt to income ratio and the calculation of self employed income
- 3- Prohibit joint ventures between lenders, mortgage brokers , realtors, builders and developers.
- 4- Stronger guidelines for mortgage brokers and banks that sell ARM mortgages that have margins above 2.75% .
- 5- Disclosures that give a reason why a borrower took a ARM mortgage compared to a fixed rate

Many good mortgage brokers have help consumers achieve lower rates and products that service the needs of borrowers.

Tony Iannotta

Licensed Mortgage Broker

tony@islandmtg.net

c 239-272-4293

Island Mortgage

Correspondent Lender

www.islandmtg.net

p 239-642-6888

p 800-310-8234