

From: <landrews@home2mortgage.com> on 04/03/2008 10:35:03 AM

Subject: Regulation Z

To Whom It May Concern:

I understand the mortgage crisis we are in and everyone is looking to point the finger, but to put limit's and control factors on items that are variable throughout a loan process is unlawful and down right criminal. The big picture will be missed. The Lenders come up with the programs, the account executive's market these programs and the responsible mortgage brokers sell these programs. I have no problem eliminating certain high risk loan programs, those with the highest rate of default and disclosing all the fee's upfront and again at closing. What I have a problem with is someone capping the amount a mortgage broker can charge. There is enough competition in the mortgage industry to prevent overcharging. The borrowers are much more educated than years past and the lenders are eliminating high risk loans that carried significantly more closing costs (take more time to close). As it sits, we are approving less people, the loan cycle has almost doubled in time to close and now you are trying to cap fee's.

I would suggest eliminating high risk loans, penalize lenders who still fund them and don't provide any bailouts for high risk loans that default.

There isn't a single borrower in the United States of America that has lost their home because of broker charges and I can assure you there will never be a single default going forward because of closing costs on a loan. That is the most absurd agenda I have ever come across.

I believe this is a political move so people in office can raise their hand to say they put their foot down in a very tough time, only to be putting their foot down on the wrong areas.

Here is what I believe should happen.

- 1) All 1st time home owners need to take a class that covers all aspects of mortgage programs, understand they can't fall behind 30days and what happens when they do, understand escrows and how they will go up after your 1st year, repairs costs and that they need save for emergencies. After the class they need to pass a small exam that covers what they just learned.
- 2) Create a reserve account to be held by the lender for 1st time home buyers and offer to setup a reserve account for borrowers (similar to Mortgage Insurance)
- 3) Eliminate high risk loans and penalize the lenders who still market them.
- 4) There is a need for stated income loans, but you should have to be self employed (not a salaried W-2 employee) and there needs to be other restrictions.
- 5) Banks should be lending on net income and not gross. I believe looking at a persons bank statements is a really good indication of their money situation. Somehow incorporate bank statements into the equation.

Anyhow, I disapprove any motion of change that caps fee's. Disclosure is extremely important and eliminating high risk loans should be mandatory.

If fee's are somehow capped, then the entire financial market should also have to disclose and cap fee's (banks, stock broker, insurance, etc).

Thanks,

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