

From: "Brian Cole" <brian.cole@ironwoodlending.com> on 04/02/2008 09:50:02 PM

Subject: Regulation Z

Board Member:

I work as a loan officer for a mortgage broker.

Fair is fair. I don't mind if we are forced to disclose our profit so long as our competitors are required to do the same. I am 100% opposed to requiring only mortgage brokers to disclose their profit while mortgage bankers are not required to do so. This is already the case as anything paid outside of closing is reported on the HUD settlement statement. You can make more and more forms or you can do what you really think will make a difference. Education is free and yet people care not to acquire it. There are some lenders that require the right of rescission to be signed in quadruplicate. You may require the same of this form disclosing the profit we mortgage brokers make but it will do little to change anything. What you ought to be concerned with is nothing more than preventing such a rapid increase in value take place. All of the ills came with that. It is unhealthy for median values to increase faster than inflation. This is a no brainer. People tended to think that when the values were going up as fast as they were that it was a sign of a healthy economy. This was foolish then and it is foolish in hindsight. The damage is done. Your goal should be not letting this happen again. More forms confuse the borrowers even more... if you believe that they were confused in the first place. I can assure you that 90% knew what they were doing when they signed these "teaser rates". The other 10% were conned by less than virtuous loan officers. I think that your first goal should be to remove those loan officers from the ranks. Require individual licensing and background checks.

What you need is accountability, as I hold you accountable for your votes I should be held accountable for my activities as a loan officer. I should be qualified through license. I should be registered with the state. I assist borrowers with the biggest financial decision most of them make in their entire lives. Why are we not regulated? A license is needed to cut your hair. For all you know, I could have been in prison several times for identity theft. "Can I get your social security number please?" Back to the biggest problem... A healthy housing market steadily increases with inflation. Sometimes a healthy housing market picks up a habit. "PROPERTY FLIPPING"! This is like the crack cocaine that destroys a healthy body. Once it starts happening it keeps happening. There is a frenzy and it grows and grows and grows pushing the values higher and higher and everyone gets in on it. The lenders are in on it, Wall Street is in on it. Everyone who is smart knows that it is going to go bust but they play a game of chicken hoping to cash out before it all hits the wall. Most do not get out in time. It's a fatal game of chicken that affects even the responsible. You should impose a 100% capital gains tax which incrementally decreases over the course of two years on properties bought and sold within this period. Prevent the property flipping. This will never happen again if this is done. Tightening the guidelines and tying hands will not fix this. There needs to be accountability and little to no opportunity to exploit the system with short term speculation. These are good ideas. Extra forms and disclosures are not. People will do whatever they can get away with. This will never change. Think about it and my vote will not have to be cast against you.

Thank you for considering my concerns.

Sincerely,

Brian Cole
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