

From: "Gena May" <gmay@cimginc.com> on 04/08/2008 10:45:02 PM

Subject: Regulation Z

My name is Carolyn May and I have been a mortgage loan officer in Raleigh, NC for 22 years now. I began my career working in a local Bank and continued to work for Banks until 1995 when I accepted a position as a Loan Officer for a small Brokerage Firm. I had been conditioned to believe that Broker's charged higher fees and had a difficult time closing their loans. I was very hesitant in making the move; however, I found that I would be working with several, well respected people that I had known from my years of being in the Banking Industry...account reps, underwriters, regional managers. I was amazed at how "small" the mortgage world seemed at that time. It was the third loan application that I took with that firm that made me realize that a Mortgage Broker offered the consumer many more opportunities than the local Banks. I had prequalified a couple that was moving to Raleigh from Florida. The husband had accepted a regional sales position in the area and his new company was relocating he and his family. They provided me with all of the information needed to be pre-qualified and they were successful in finding a new home! They went under contract and were scheduled to close within the next 30 days. When his verification of employment / income was received; I realized that he did not qualify for the program that he had initially applied for. If I had still been at the Bank; I would have been forced to turn him loan down and the realtors and sellers would have been notified and can you only imagine how embarrassed the couple would have been. Since I was a Mortgage Broker and had access to literally dozens of mortgage programs; I was able to successfully put them into a new home with little or no added stress. I truly believe that the consumer is better represented and has more options working with a Mortgage Broker or I wouldn't be employed by one...I would still be working for a Banking Institution.

I do believe in and I applaud you for striving to protect the consumer. There is a need for that in our industry. I believe, through my daily experiences, that some, not all, but some of the new rulings will actually be discriminatory towards consumers. I am asking that you reconsider and explore alternative options for the proposed regulations.

I receive at least a dozen phone calls a day to inquire about current interest rates. With the proposed rulings and the current market position, it is impossible to provide this information to the consumer. In order to provide them with a simple quote, you must know something about their financial situation. Can you only imagine how annoyed and frustrate our customers are and will become in the future? Even if our consumers were equipped with information, such as their credit score, etc. a Lender or Bank is still unable to provide accurate information, information that you propose we be held accountable and responsible for. There are a lot of limitations that are applied by third parties that are beyond anyone's control. For example, I had a Veteran call in to be prequalified for his first home. I took his information and pulled his credit report. Based on the information that I had, he more than qualified for the house that he wanted to purchase. Unfortunately, within the past 7 years he had been forced to file a Chapter 7 Bankruptcy. This in itself does not exclude him from VA financing. At that time, Wells Fargo was the most aggressively priced investor. So I quoted the rate and fees associated with Wells Fargo and a contract was written and a closing date was set. Since the Bankruptcy was filed within the past 7 years, we were required to obtain a copy of the full Bankruptcy papers. Most of the time, these papers are not readily available and are numerous in length. When I received the papers...which was well over a week in the process of the application, I discovered deep in the documents that the Veteran at one time had a Wells Fargo account that went into a collection status. This was not apparent on his credit report and because of this fact, he was no longer eligible for a VA loan with Wells. Again, being a Broker, I am able to find other VA financing options; however the interest rate and fees often vary between Investors. And please remember that there is also a new Sales Contract now and if the buyer exceeds the pre-set closing date, there are daily fees incurred. Can you only imagine how expensive it would have been if the Veteran had missed his scheduled closing date? If he had been working with a local Bank, he would have had to move his closing out a week to ten days and possibly the seller's would have rescinded their contract and our applicant / veteran would have been burdened with fees that the Seller customarily pays

at closing (appraisal, home inspection, upwards of \$700.00). For this reason, and believe me there are many more, I am requesting that you please reconsider the proposals. As Mortgage Brokers, we use yield spread premiums to cover or offset closing costs for borrowers AND sellers.

I do not understand why the income of a Mortgage Broker, not Mortgage Banker is under such scrutiny.. If you go car shopping, you can drive down Capital Blvd. and shop at a dozen car dealerships. The cars range from inexpensive to very expensive. You will find similar cars being sold at different prices. The salesmen are not required to disclose their income or profit margin when they provide the consumer with their service. I would like to add that some of these vehicles cost more than the housing located around the dealerships. We are all painfully aware of what happens to our consumers credit scores when they shop at different dealerships...the scores get worse, never improve. It appears that we are asking consumers to do the same when purchasing a new home. They may become so informed that they are no longer eligible to purchase a home. I believe there to be a better way to bring reform to our industry. I believe that North Carolina is moving in the right direction; requiring licenses, education hours and implementing high costs guidelines. I do strongly believe that every person that takes a mortgage loan application should be required to be licensed, both Mortgage Brokers and Mortgage Bankers.

Thank you for your time and allowing me the opportunity to voice my opinion on this proposed rule.

Sincerely,

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