

From: "Laleh V. Hanks" <lalehloans@yahoo.com> on 04/07/2008 01:05:05 PM

Subject: Regulation Z

Docket No. R-1305

To whom it may concern;

I have been a broker for several years and in the industry for 8. After reviewing some of the laws that are being proposed it is hard to believe that the individuals implementing the laws have much experience in this industry.

First of all, eliminating stated and no doc loans under any circumstance would further send our economy into a tailspin. If we think the economy and foreclosure rates are high, the removal of stated option loans would have a staggering affect. There is a good reason for stated programs. W2 employees, I would agree...is not one of them. However for someone who is providing the bank the security of high credit, good payment history and low loan to value levels it is a great product. One of the states that have taken the biggest hit to decreased home values and high foreclosure rates is Nevada. This is the first state that removed "stated" as an option. I feel completely shooting themselves in the foot! Stated programs have always been an option, to take them away will leave several homeowners in situations where they will have not choice but to walk away from their homes if they are left in an adjustable mortgage of any kind.

In addition, requiring a mortgage broker to disclose without the option of chancing their rate, rebate/discount or any fees is absurd. I can understand if the admin, processing and other set fees would not be allowed to change. I have been doing this for about 8 years now, and there are several occasions that I will go to a different bank due to a rate drop allowing my client to get a better rate / payment. Many clients that I run credit on are simply not ready to move forward right away. While it is already difficult to disclose within 3 days of running credit it is impossible to predict where rates will be when they are ready to move forward. A client to take as much as 6 months to move forward so to stick to the original disclosure if the client has not chosen to lock is simply NOT POSSIBLE. In addition this volatile market has left me in the position where a lender has ceased doing business right in the middle of a transaction, leaving me not choice but to change lenders, programs and sometimes even rate. If a client gets turned down or denied from one lender we may again change programs and lenders, causing another change in rate. This change can be for better or worse, but in the rate case does it ever cause me to make more money. My job is to be sure the client gets into a program that suite their needs. In other instances the lender has given me extra rebate due to volume, incentives or bonus's (not affecting my client's rate). To take the options away from a broker you are completely defeating the purpose of our job..."To find our client the best possible mortgage they qualify for" I understand that there are some unethical mortgage brokers out there, so my suggestion is to be more strict on infractions. If a consumer complains that any fees, points, rates, etc. changed prior to closing that didn't provide benefit to them...respond faster to complaints and post the infraction against their

license, which is public information. I have a perfect example of how this would hinder service to a client rather than provide any benefit what-so-ever. My recent client, who is actually funding his loan in a couple of days came to me when rates were at 5.375% on his 1.7 million dollar STATED/With ASSETS mortgage at 50% LTV (perfect example of why we should not get rid of stated options for the self employed) He hesitated on locking in his rate. I did my job well and watched the rates like with an eagle eye. I was able to lock this rate in at 4.875% with a cost of .4% to buy down. The lender a week later adjusted my lock allowing this rate with a rebate of .06%. Not only did my client get a rate that NO ONE< not even direct banks could offer him; I gave him a credit for closing costs of \$2200 dollars without him even asking for it. I am a decent, ethical hard working mortgage broker. I serve my clients best interest every single day. I work about 45-50 hours per week and for people to threaten my lively hood with the proposal of laws that are far from thought threw it is extremely frustrating and I am outraged to be honest. We should be proud to live in this country, as I am. But when of Governors of the Federal Reserve System step in thinking they have the right to make these decisions for everyone it is embarrassing and uncalled for. This is not where our problem is, as everyone likes to have somewhere to point the finger. Taking homeowners rights away without them even really being aware is un-American!

Asking an originator to determine if the borrower has the capacity to repay the loan over the next 7 years is not much different than what we do now except that when we are asked to show that income continues for the next 2-3 years from certain institutions it is difficult to get them to comply in the first place. I just don't understand how the members of the Federal Reserve System can even come up with these contingencies. As they are human as well and probably can not predict exactly what and where they will be in just 3 years. Don't you think the limited number of lenders and programs is causing our country enough housing issues as it is? What exactly are you all trying to do here?

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