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Subject: Regulation Z

I have reviewed the proposal amending Reg Z with the truth in lending act and the home ownership and equity protection act. I personally do not find any problems with what the Federal Reserve System is trying to implement.

I do believe that appraisal companies should not be influenced by lenders, real estate brokers, mortgage brokers, or builders on what value they will be deterring. I also agree that these lenders should not have any ownership in these appraisal companies at all. The Federal Reserve might take a lesson from HUD in the way they handle appraisals, as they request that at least 10% of all appraisal are reviewed by a second appraiser after the fact to confirm that the appraisal was a representing the FAIR MARKET VALUE at the time of the inspection. This would help police the industry from within as HUD does.

I have been a mortgage broker practicing from Sayville, New York since 1988 and have seen the ups and downs, and goods and bads from the greed associated with the mortgage lending industry. The mortgage business is tough enough now that banks own real estate franchises and real estate companies and builders own mortgage companies. We all have to play form the same field, with the same rules for a small one person shop to the largest lenders in our country. Why now would you create special rules to apply only to a percentage of the industry. If you are going to change the industry make it across the board so that the consumer has the ability to real determine what is best for them.

I believe that is where the biggest problem is. The Fed claims that consumers believe that brokers are a "trusted advisor" who are bound to get the best possible deal for the borrowers. I have never heard such a crazy statement, the word trust in the dictionary means a firm belief in another's honesty and reliability, and advisor is to give advise and counsel, not give the best possible deal. Instead of confusing the consumer again just have them sign a disclosure that the broker can not guarantee the best possible deal, as a bank can not guarantee the best possible deal, they can only deliver what the have to offer through the lender they work with. If broker are bound to get the best deals for their borrowers as per what the FED believes then there should be no need for banks, as they do not get the best deal for the consumer.

It seems that the government is trying to put a big band-aid on this problem and make it go away. It will not go away until the market re-adjusts, which could take years to recover in some areas of our country. Why not make the requirements harder to become a mortgage broker or sales person. By doing this our industry can start to re-build the trust of the consumer that some greedy companies have destroyed.

I have survived many other economic problems in the past and will survive this one also. I will also adapt to whatever is implemented to our industry and continue to provide the high quality service that our borrowers have become used to.

thank you for taking the time to review my feeling

David Bailey, Owner
The Mortgage Outlet
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