

From: "Barbara Banco" <bbanco@ameritech.net> on 04/08/2008 12:45:02 AM

Subject: Regulation Z

I disagree with the proposed amendment to Regulation Z (Truth in Lending and HOEPA). It is discriminatory for the new rules to apply ONLY to mortgage brokers. It should apply to ALL LOAN OFFICERS whether they work in a bank, at a credit union, for a chartered bank, or for a mortgage company.

In the past 25 years I have done this job, I have found loan officers gouging borrowers, and putting borrowers in ARMS to guarantee them future business by refinancing those same borrowers into a FIXED loan 9 or 12 months later. These same loan officers work not only for a mortgage company, but for banks and credit unions as well. This is NOT the way the job is supposed to be done! The loan officer's job is similar to that of a financial planner. You look at the borrower's total portfolio, make recommendations and suggestions and give them several loan programs to review. The loan officer is responsible to answer any and all questions about each program's pros and cons so the borrower will make an educated decision on what loan program best suits their needs.

These new regulations should be imposed on ALL loan officers, mortgage consultants, certified mortgage & equity planners, senior loan officers, etc. to fully protect the public. This will guarantee the public a reasonable interest rate and closing costs by all lending institutions. It will be uniform throughout the industry allowing for competition on price and service. It would also help if you imposed a 3% cap on the yield premium instead of the current 8%!!!!

Lenders too package loans and re-sell them, just like a mortgage broker. There is no difference in this respect. Forcing the mortgage broker to implement this new policy and not the lenders would be considered steering consumers away from brokers and forcing the public to deal ONLY with a lender, even if brokers offer more favorable loans, less fees, and less interest rates. This is in direct violation of RESPA!

It is impossible to guarantee any fees at the original loan application as there are underwriting and credit factors that can change the original outcome of the loan approval. If the original terms of the mortgage change, the loan officer should be able to inform the borrower of the new terms and provide a new good faith estimate for their acceptance. This would only be done if the terms from the original meeting changed after the loan was submitted and approved by the underwriter. In addition, it is also difficult to know the exact fees being charged by title companies, counties, and the lenders as these fees seem to vary from lender to lender, from title company to title company, and from county to county. There

is NO uniformity making it difficult for the loan officer to give an accurate account of the total fees for the transaction.

The mortgage broker and loan officers work very hard and long hours. Many times we spend days, or weeks working with a borrower to help them with the loan process. We are called all hours of the day and night and weekends. We are the only business that can spend all this time and then not get paid any money. Sometimes the client will go to a competitor or will walk away from the deal. We are the ONLY industry/business that is stuck working for free as we are not allowed to charge for our time, unlike attorneys who bill in 15 minute increments! NOT FAIR!

I hope you will consider my recommendations and enforce this new ruling for ALL Loan Officers working for ANY lending institution whether it is a mortgage company, a bank, a chartered bank, or a credit union.

Respectfully submitted,
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