From: "Mickey Cohen" <MickeyC@priorityfs.org> on 04/04/2008 01:25:03 PM

Subject: Regulation Z

I have been a loan originator for 10 years. As a mortgage broker, I have helped tons of families. I fully support full disclosure of all fees involved, but am concerned with the prospect of legislation that will limit APR.

Let's remember that the lenders make guidelines and it is our obligation to find the best loans for our borrowers within the parameters of the guidelines they qualify for. Bad guidelines can easily be blamed for the current foreclosure situation, as well as high costs of everything from property taxes to gasoline to credit card bills.... With the mortgage market decline we are now continuously seeing lenders tighten up their guidelines.

When legislators get involved in the mortgage market, especially with increased fee restrictions, it makes it hard for honest loan officers to make a living helping families in need of our help. Believe it or not, most loan officers really do try to help people. Of course there were many bad apples during the subprime boom but thankfully most have been eliminated.

More importantly, fee restrictions cause families to not be able to obtain loans that will help them, because investors don't offer loans that they can't be profitable on. If they can't charge fees enough to cover their expenses the loan doesn't get offered to the public. For instance it is near impossible to do a very small loan size in a state with reduced APR restrictions. Again, the investors (or loan officers) can't make enough money to make it worth the efforts involved in a mortgage, and thus we can't offer them to borrowers. This only ends up hurting the borrowers that would benefit and be willing to pay for those loans.

This is truly the case. I have seen it many times in relation to APR restrictions. I applaud the effort but remember that sometimes good intentions can cause poor unintended consequences for borrowers that do or will need loans. Again, I do support all efforts to assure full disclosure. Many of us are very conscious of making sure consumers understand all aspects of their loans. There are lots of disclosures that do help with this. Again, there are some bad and dishonest loan officers, like in every industry, but that is no reason to destroy the industry or the people making a living working through this bad market and still helping people. Borrowers choose loans and are fully disclosed. I often see loan officers at "banks" that charge much more and disclose less than mortgage brokers.

One other thing, there are many people who do not show their income with traditional documentation (often self-employed people). Many consumers have the ability to pay debt. If a lender chooses to lend to someone that can't verify their income or ability to repay in the traditional way that is the choice of that lender. To disallow stated income loans will again only help people who need them.

Thanks for reading. I appreciate it and hope you do take to heart my legitimate concerns.

Sincerely,

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