From: "Shari Steiner" <shari@movedoc.com> on 04/07/2008 06:00:05 PM

Subject: Regulation Z

Dear Sirs & Madames -- As a licensed real estate broker and a journalist who has written widely on mortgages, I salute your efforts to address the many problems we have with our current mortgage regulations.

HOWEVER, please don't act so hastily you miss big problems, and can even make the situation worse.

I feel that so far you have missed one of the biggest issues and reasons why the 05-Q107 mortgages have proven to be so prone to default. Not only did the mortgage industry drop the time honored procedure of insisting on a buyers' having putting at least 5% down and thereby having equity in the deal, not only did they accept subprime credit and stated asset, stated income applications, they did away with the step-up caps and life of loan caps that made the older loan "surge" payments more manageable when the teaser rate came to an end.

Tieing that to the fact that a when the interest only loan surge hits, the loan goes into an amortization phase, which also contributes to a payment leaping up as much as 100%.

And they did this while still disclosing the supposed APR based on projecting NO increase in interest rate when the amortization kicked it.

Of course homebuyers got suckered with this kind of sales pitch. Of course mortgage investors got suckered by the belief they were buying a product with the USA traditional low foreclosure rate. Nobody paid any attention to the toxic mix of changes introduced over the last three years.

Additionally, I support and agree with the comments submitted by the CMPS Institute which can be found at:
http://www.cmpsinstitute.org/pdf/CMPSCommentsforFRB.pdf

Thank you for your time.
Shari Steiner, Money Matters columnist and co-Author
"Steiners Complete How to Talk Mortgage Talk"