

**From:** "Andy Broadman" <andyb@americanamtg.com> on 04/07/2008 06:30:05 PM

**Subject:** Regulation Z

Dear Sir

My email is concerning this article and Docket No. R-1305:

<http://www.msnbc.msn.com/id/23880336/>

First off I am for protecting the public from fraud how ever we already have laws in place to do just that. So when I saw this article I start to laugh because we have laws in place that make it illegal for a broker to misrepresent themselves on the GFE, 1003 and 1008 which are disclosures that all clients have to sign before the loan process even starts. It's illegal for Title to misrepresent the HUD (which shows all the costs including the rebate the broker receives) to the client when closing escrow. It's illegal for appraisers to misrepresent the value of a home that is being purchased or refinanced. It's all so illegal for the buyer or person refinancing to misrepresent him or herself on any legal loan document they sign – example: the statement saying the home is owner occupied. We even have laws making it illegal for a C.E.O. of a company to misrepresent that company's values and expectations to the public. All these things are illegal so here is an idea – enforce the laws we already have. All so something to look at – no one from the realtor, mortgage broker, title clerks and all others involved with closing escrow on a home gets paid until the bank says yes. What about all those underwriters who said yes to all these deal with little or no proof of income, they don't say yes on there own they said yes because there bosses (the banks) told them to say YES. We had bank programs that said a 580 score can be stated income and stated assets, the broker didn't make this up, we don't just dream all these programs and the banks they came from up – this not fiction. The broker can't underwrite the deal and say yes, the broker can't fund the loan – it's the banks who say yes to all of that, it's the banks that created the loan programs that were used, it's there underwriters who signed off and it's the banks that signed the checks. Nothing moves w/o money and the banks are the one with the money no one else. Our country is already choking on laws and regulations that are not enforced; let's start there before we add more.

The other thing I would like to point out is if you want to regulate the loan process, regulate all loans not just mortgages. Why does the mortgage industry have to be totally disclosed making sure the HUD shows every little penny including the rebate at close? Yet the car dealer doesn't have to show how much they made on the back end – there is no HUD presented to the buyer. What about all these furniture companies that finance, they say have now pay later – they don't show full disclosures to the client; they don't have to do a GFE. What about pool companies that finance back yard improvements – do they disclose what they made selling the note to a bank? My point is this; the government (state and Federal) already makes our industry disclose everything down to the last penny, any thing less is fraud and homes on the average tend to appreciate over time. Yet there are a lot of loans that are originated through other industries that banks buy with nothing disclosed to the client, no HUD signed by client

showing were those penny's went. Many of these loans are on depreciating items such as automobiles which can be worth as much as 15% less in the first year of ownership. If a person could not afford the payment on this depreciating item and wanted to trade they can't, they loose. All banking loans should be regulated, all who originate loans should be looked at, and most of all, the buyer needs to accept some responsibility for him or herself when they sign that legal document along with the consequences that come with committing fraud.

**ENFORCE THE LAWS WE HAVE AND REGULATE ALL ORIGINATED LOANS**

Thank you for your time

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