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Subject: Reg Z - Truth in Lending

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Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages  
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The overanalysis and "over-fixing" of the mortgage industry's problems that resulted from a lack of regulation from 2002 to 2007 plainly has to stop. Additional regulation and legislation over and above that which has already been put in place in 2008 and 2009 is clearly unwarranted. Over the past 18 months our industry has seen the outright elimination of stated-income programs, "no-doc" programs, and "sub-prime" mortgages...and all of those changes are ones that I, and most, fully applaud. Today a consumer cannot buy an investment property or a second home without a 20% down-payment...in my opinion overly restrictive for someone with outstanding credit, but guidelines that we can all live with nonetheless. Loan Officers and mortgage brokers no longer have direct contact with appraisers, thereby alleviating conflicts of interest, and I have no problem with that. The crooks have left our business, forced out by rules and education requirements and by the elimination of the tools that they had used to ply their nasty trade...and that we are all happy for. But government needs to know when enough is enough....and that the mortgage industry has absorbed enough change already. New legislation (R1366) that is meant to eliminate YSP (and perhaps later SRP..."Servicing Released Premium"...which is a bankers equivalent of the exact same thing but for which disclosure is not required) is overkill and will not be helpful to consumers. What it will surely do is further cripple an industry that has already been staggered by recent regulation and bad press...and in doing so, and by knocking the remaining "good guys" out of the business, competition for a consumer's business will be eliminated as mortgage transactions will likely be handled by "the last guy standing"....which would be big banks. (And think back a few short months....wasn't it the largest banks in the U.S. who so mismanaged their businesses that they required mega-billions of bailouts?) If FNMA, FHLMC and GNMA simply regulate product guidelines to ensure responsible practices need to be followed and to ensure that only consumers with decent

credit/financial profiles can be approved for mortgages then the market will take care of the rest...crooks will only re-enter our business if it's an easy business to profit in...and put simply this is not an easy business to survive in today let alone profit in. Restrictions are already in place that prohibit "high cost/high fee" loans in our industry and any consumer willing to make two phone calls to compare offerings can access excellent terms from educated and professional brokers and lenders. Further restrictions, I am sure, will simply limit a consumer's access to educated and professional brokers and lenders. Obviously our industry and our legislators need to remember the past in order to not replicate the same mistakes in the future...but as of today yesterday's problems have already been fixed and so long as guidelines aren't unreasonably loosened in the future then yesterday's problems should not recur. Stop R-1366...enough is enough.