

From: Mortgages Unlimited, Scott W. Shaske
Subject: Reg Z - Truth in Lending

Comments:

This proposed change in mortgage broker compensation will have a negative and devastating effect on the nation's housing.

1st....Due to the extreme complexity of mortgage loans, and the limit it will now place on an originator's pay, most originators will drop out of the industry. These are the experienced originators who were mainly responsible for the successful closing of the transaction. The result will be less experienced originators which will result in less transactions, less efficient transactions, and a lower number of homes being successfully sold.....Net result: Another decrease in home values.

2nd....Higher loan amounts and better credit borrowers paying the same costs as borrowers with lower loan amounts and less that good credit. This is similar to everybody paying the same car insurance rate. Result is borrowers who did the right thing and pay their bills on time paying higher costs.

3rd....No more "extended service" for the customer. No more nights and weekends by the loan officer. No more assisting realtors in their sales. No more "heroic" service to get the loan closed.....which happens most of the time now with the ridiculous requirements underwriters come up with.

4th....Since limits are severely placed on broker compensation, only the "crème-de-le-crème" loans will be accepted. "Average credit and small downpayment?.....forget it, go somewhere else as you'll cost us too much time." Result: Large downturn in home sales and major decrease in home values.

5th....Mortgage companies going out of business overnight. Result will be less competition which, everyone knows, results in higher consumer rates and costs.

As a 22 year veteran in the mortgage industry, having originated over \$20,000,000 in mortgage loan transactions, I find this change in broker compensation to have an absolutely devastating effect on my business as well as on consumers and the nation's housing. Each borrower pays their appropriate fees depending on the amount of work and time that must be invested (some borrower's opt to pay a higher rate instead of higher out-of-pocket fees). Let's leave this as their choice. Such this bill or any resembling such be passed, my entire branch will have to close its doors. The result is it will not save consumers, but cost them more when they walk in the to local bank whose terms are always higher. The net result will be limited mortgage availability for consumers, higher rates overall. This bill is bad for originators, bad for homebuyers, bad for homesellers, bad for realtors, bad for homeowner's, and bad for the nation's economy.

All the bad lenders and originators are gone now anyway. Mark my word.....no good will come of this. Let the free market find itself. This is still the United States of America.

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