December 23, 2009

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20511

Re: Proposed Changes to Closed-End Mortgage Rules (Docket No. R-1366)

I appreciate the opportunity to allow us to comment on the proposed rules amending Regulation Z. My name is Roger Ryman and I am a Loan Originator in Houston, Texas. I entered this profession a ten years ago and was there to watch the mortgage industry both explode and implode. Additional consumer protections are necessary but do have some issues with the proposed changes in place.

I obtained my Master's degree from the University of Notre Dame in Sociology (of Organizations) in 1999. While I did not see myself as a Professional Mortgage Originator back then, it has been a great fit. You see, the mortgage industry lacks experts. Individuals with professional degrees, years of experience, and the capacity to do difficult loans are not easy to come by. Our clients yearn for this very skill set and the mortgage industry needs people like myself to set the bar a little higher for my peers in the same industry.

Everyone's loan is different and there is not a single way to approach them to have it work out. You may be amazed to see how differently people are paid or how an account reports an individuals income. It's also quite startling to see how disparate people are in regards to how they manage their money within bank accounts. What is one person's daily norm can also be interpreted as a problem on a mortgage application—even though its not. I work for a mid sized mortgage company and I handle a great deal of complex loans.

In order to work through the many variances we encounter daily with extra work and expertise, it is reasonable that we need to sometimes charge a higher fee to compensate for the work done. Some customers choose to not pay any fees and elect to pay a higher interest rate on the loan. The bottom line is that loans take a certain level of expertise and experience to happen for a great number of individuals out there.

If the proposed rule goes into affect we would have no reason to take on the more challenging loans. The result would be a focus on the easier more straightforward loans that are less time consuming. This would honestly alienate the very population this rule may be trying to protect.

Since the mortgage industry has undergone a significant constriction or implosion, there are no "subprime" mortgages out there any longer (or very few). Conventional loans do not have the risk the other loans have and there is not the same potential for abuse. I should also point out that the SAFE Act requirements for loan originators goes should also curb future abuse.

Please consider amending the proposed rule to allow for there to be some flexibility in loan origination compensation. I fear that the proposed rule change could have disastrous unintended consequences.

I appreciate the opportunity to comment on the proposed rule.

Sincerely,

Roger Ryman, Plains Capital Bank