

From: United Mortgage Corp, James Ryan
Subject: Reg Z - Truth in Lending

Comments:

Following is the original e-mail received:

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Dear Ms. Johnson: I will be as brief as possible, and hope that you, or someone, will help get the FULL story out so that the rules, regulations, and laws coming will be based on that full story. First, not all loans and loan applications are the same. Some are very nuanced, and can require more than three times the time and effort compared to another loan. Many loans fall in the middle. Many times, when the initial application is taken, we have no idea what we are really getting into. All loans initially seem perfect! However, during the process, various issues can arise (and often do arise). If we were a legal firm, a medical firm, a contractor, this would be no issue. We would charge hourly, have an upfront deposit or retainer etc. But Mortgage Professionals charge little or nothing up front, deliver our services and spend resources (and real dollars) for loans, and ONLY get paid IF or WHEN the loan closes. There are very few professional services offered in this manner. Obviously, for harder loans, or loans that take more time and effort, we charge more. One size fits all just does not work. Most folks do not have the option of paying these fees out of pocket, so today, we can adjust the rate a bit, and the Wholesale source pays us a bit more compensation, and the client gets their loan. I am afraid the changes to Regulation Z, coupled with the other onerous regulations and laws coming into effect, we are killing small to mid sized companies across the country that serve consumers today bringing them super service, lower rates (when compared to the major banks), increase competition, and in general, have served the US consumer very well. Please remember, Mortgage Brokers NEVER designed a loan program, NEVER set underwriting guidelines, and NEVER set YSP. This is NOT the free market society we stand for as Americans! This, coupled with the provisions in the SAFE act for background checks, continuing education, and new RESPA regulations, and the fact most of the exotic sub prime loans are no longer available, should correct the past mistakes that created the crash. I respectfully ask that we wait and see if these measures complete the correction that most Americans feel is necessary before passing even more potentially onerous regulations that will end a way of life and service channel that has been HELPING Americans save real money on their mortgages. Thank you for this forum.