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Subject: Reg Z - Truth in Lending

Comments:

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To whom it may concern, I have been a wholesale lender representative for 7 years and for the last two years employed in retail loans. I got into retail because I saw many foolish brokers putting customers into loans that simply didn't make sense. A 2 year fixed mortgage with no down payment is a prime example. Now, most of those brokers are out of business because no one is referring them business. We see yet again, that left alone, markets heal themselves. This is not to say increased legislation isn't necessary. I believe, however, that the legislators are partially responsible for watching these loans be made and standing by, or in many cases by hastening them. (See past comments and laws passed by the efforts of Barney Franks and others that is suggestive of everyone needing to be a home buyer.) The brokers who are left are dealing with buyers who have little money in savings. Fha and VA exists to get these types of borrowers into new homes. Expecting these buyers to come up with a point origination, when they have little down payment or savings, will disable them from getting into homes, and further cripple the real estate purchasing business. Home values are low enough in my area that it makes sense to purchase over renting; taxwise and payment wise. Also, coming from the securities industry, I can assure you that this industry and it's current changes in disclosure requirements, appraisal limitations, and broker/loan officer training and certification is already difficult enough. When loans were stated income, all the loan officer needed to do was to "state" the income. Today, everything is fully documented. The loan officers, processors, and brokers are working their tails off like accountants pouring through the paperwork in the files to assure that the borrowers fully qualify. Closed loan packages are 3 inches thick with paperwork. The time to get tough on loan officers and brokers is not now. It was yesterday, when a borrower could purchase an investment property on a stated income loan with no money down. Today, they are qualifying on low priced home values. Let's help get them in and get this

economy turned around. Thank you! Justin Leavens