

From: Summit Home Mortgage, Nicole D. Longo  
Subject: Reg Z - Truth in Lending

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Comments:

Dear Senator,

I write to you today as a small business mortgage professional, and member of the National Association of Mortgage Brokers (NAMB), regarding an amendment (SA. 3962) introduced by Senators Merkley (D-OR) and Klobuchar (D-MN) to S. 3217, the "Restoring American Financial Stability Act of 2010" which was approved. I have serious concerns with the amendment and fear it will harm small business and consumers nationwide. For the reasons below, I strongly urge you to oppose this, and any other amendment, that would treat origination channels differently, picking winners and losers in the mortgage industry.

I believe the amendment will severely limit a consumer's choice of how best to pay for their home by removing a choice of paying closing costs in the interest rate. It will also restrict me from legitimately and legally compensating my employees. Furthermore, the Federal Reserve Board issued proposed amendments to Regulation Z to prohibit steering late last year which was subject to notice and comments and addresses many of the issues contained in this amendment

but in a comprehensive manner. That rule is in the final rulemaking stages. Congress should allow the Federal Reserve Board to continue reviewing comments and developing a final rule that will deter incentivized fees and steering consumers, while preserving mortgage originators' ability to receive compensation without creating an unlevel playing field between competitors.

I have been witness to great hardship as a small business because of the economic decline and its effect on the industry. Small businesses, the cornerstone of American economic prosperity, should not be penalized for helping consumers. The amendment will not only put small business at a disadvantage to larger lenders, but will inevitably force me to close my doors. Less competition in the mortgage industry will drive up costs and remove affordable options for consumers. In particular, low income, minority and rural community borrowers will be hurt the most because this amendment as it will remove competition from the marketplace.

I urge you to ask that the amendment be removed from the bill or fixed so that consumers will continue to have choices at the closing table and mortgage originator's will continue to serve consumers in their communities. Small business mortgage professionals like me will be forced to close their doors should this amendment be included in the financial regulatory reform bill.

Thank you for your time and consideration on this issue.

Sincerely,

Nicole D. Longo  
Summit Home Mortgage