

From: "Rita Buckley" <lakeland@lakelandmort.com> on 03/28/2008 11:45:03 AM

Subject: Regulation Z

The following are a few of the problems with new Fed rules:

1) Re: "A new disclosure for Mortgage Brokers only that will require you to disclose, before application, what your mortgage brokerage fee (front end AND back end fees) will be on the loan and this cannot change. "

Disclosure, to the penny, made by Brokers is unfair (to Brokers) Let's see what the Banks are making to the penny on each & every Loan. There is a reason for a Good Faith ESTIMATE.

2) Re: "Require that the lender establish an escrow account for the payment of property taxes and homeowners' insurance. The lender may only offer the borrower the opportunity to opt out of the escrow account after one year."

Allow the Borrower to make some decisions for themselves! This is just an attempt to increase revenue for the Lenders.

3) Re: "Prohibit a creditor or broker from coercing or encouraging an appraiser to misrepresent the value of a home."

i.e.. No one is allowed to ask the appraiser anything about the value of the property before the appraisal is completed. This forces the Borrower to pay for an appraisal which might not have been ordered at all. Example: a \$200,000 house has a mortgage of \$210,000. This is not a do-able Loan according to FNMA, FHLMC or FHA.

I have worked almost exclusively with one appraiser for the past 15 years. The reason is, I knew he would give me a true value. There were times I had to call clients and tell them the house they were purchasing wasn't worth what they were paying. In some cases the deal fell through, in others the price was adjusted, and still others paid the higher price without complaint. My appraiser will now have to start over. The goodwill he has created in his business evaporates as of Jan 1st, 2008. How do you propose to fairly distribute the appraisals? As of January, I'll have to tell MY clients I have no control over when the appraisal is completed. The lock on the Loan may expire before the appraisal is done by someone I have never met. I have no relationship with this individual and he has no motivation to complete the appraisal for me. His client is the Lender. I cannot order a rush because the appraiser has absolutely no motivation to jump through hoops for someone who doesn't even order an appraisal.. Now let's say I need to change Lenders because my lock expired or the Lender turned down the file. I need ANOTHER appraisal done by the 2nd Lender in order to close the Loan. Who is going to pay for this???????????????????? The Lender (such as Wells Fargo) orders maybe a couple hundred appraisals a day does not care when they are completed, they are not responsible for when the lock expires.

I have worked with OUT OF STATE Lenders who required that the appraisal be completed by someone of their choosing and it usually ended badly.

Please think before you act!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!

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