

From: "Michele Sharpe" <michele@dslx.net> on 04/01/2008 12:20:04 PM

Subject: Regulation Z

Stated loans were originally created for people who are self employed and can not verify their income for obvious reasons (deductions, which is why people become self employed in addition to being able to make more money than being an employee) There are a substantial amount of self employed people who have stated loans which are in good standing. These people are already being penalized when it comes to refinancing their homes for a better rate. These people deserve the ability to get a stated loan rather than people who work as W2 employees. I agree that people who are W2'd should not have to go stated BUT self employed people should not be penalized because the banks chose to get everyone and their dog a stated loan. If there is going to be a new rule in place regarding stated loans it should be that w-2 employees don't need them rather than no one being able to get them.

There needs to be liquidity in the market if the current situation is going to be fixed, the more loans that are taken away from borrowers is only going to make the situation worse. most of these people that were in adjustable rate mortgages, whether they were stated or not, were able to make their payments until they adjusted. Even though the banks should be working with people to keep their rates the same, if refinanced between 2005 and 2007, the banks are NOT working with the people unless the rate adjusted by December?? This makes no sense.. I can tell you story after story where the banks just don't even try to help the people.. One example is a client that was financed through Chase, her rate adjusted and her payments were becoming later and later. We found her a good loan which brought her rate back to where it originally was, when the payments were dealable but the prepayment penalty (which was 6600.00) put the loan over the LTV requirements. Chase refused to waive a prepayment penalty which only had 6 months left for no apparent reason other than pure greed. I explained to them that they were risking having a 167,000 bad loan on their books and at that point they would have to waive the prepay anyway in addition to the woman not being able to keep her home or able to get a new loan because of mortgage lates and I was told that they basically would take that chance?? PURE GREED.. Again this woman is self employed and had no problems with her payments until they adjusted. These are the issues that should be looked at not just taking away more products the the market so desperately needs. Please make the correct changes instead of changes that will hurt the people and the market.

There are mortgage people in this industry who do things properly and care about the borrowers and their well being, not every broker out there (I realize there are a lot) only care about their commission. Maybe there should be stronger licensing rules or more ways to ensure people know what they are getting into. I personally know that my clients are ALWAYS well aware of the product and program they are getting when they go to closing. It sickens me that there are soo very many people out there that were scammed or taken advantage of but it happens, by taking away the opportunity for them to refinance their homes and get decent rates/payments you are doing a great injustice. Again there are still people who care and are staying in the business and sticking it out. It makes it very difficult to help people out of a bad situation when there values came down so much and there are no loan programs for them. It just does not make any sense to dry up the market when liquidity is needed. Fannie and Freddie approve loans and the lenders don't take them anyway and a lot of these loans are full doc, things are a mess and you guys are the ones in control at this point to make things better. Please make the right choices for the well being of our people and economy.

Feel free to contact me at anytime for input from this side..

Thank you,

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