

**From:** "ALLYN FERRIS" <aferris7272@verizon.net> on 04/03/2008 11:25:04 AM

**Subject:** Regulation Z

To whom it may concern:

In reference to the above docket no R-1305 I would like to comment on the how this would affect both our industry and consumers.

I have been in the Mortgage Industry for 27 years and of those years I have been a mortgage broker for 20 of them and I have owned my own Mortgage company for 17 years. I would like to state that no one more than I would like to see consumers protected because I also am a consumer.

On that note I would like to state that as a consumer and a mortgage broker the proposed regulations will not only hurt mortgage brokers but consumers and any lender making a mortgage loan. The proposal is not logical and would not allow most companies to stay in business because there would be no way for the mortgage broker or the lender to stay in business with a cap of 3% to fees/APR. This does not allow enough room to even cover most standard closing costs on the average loan not to mention paying the loan officer or mortgage broker. This fact does not just hurt the mortgage industry but it hurts the average consumer because many people in our country will not be able to obtain a home loan. Any business must make a profit to stay in business and with this proposed rule it would virtually eliminate most brokers and possibly most lenders. Realtors can make up to 7% or more and this is never questioned but we on the other side of the transaction are required to work for pennies and still have to cover our overhead. Something is wrong with this picture and to say that this fee to a realtor is being paid by the sellers is also a fallacy. It is built into the price of selling the home and it is ultimately the "buyer" who pays it.

Typically, but not always, the mortgage broker works with customers that the banks are not willing to work with. Does this mean because they don't have a 700 credit score they should not be allowed to own a home? This is what will happen. Only the wealthy and/or high credit score people will be homeowners. This is a bit preferential in my opinion. As mortgage brokers we work with customers to help them clean up credit, obtain down payment assistance and many other things. We find the appropriate lender that will take their loan which can be a daunting task without an experienced broker who knows the "ropes" in our industry. In my almost 30 years in this industry my primary customers have been first time homebuyers and it is a very rewarding thing to put someone in their first home and to see them smile and get excited on closing day when they receive their keys to their first home.

In current market conditions the mortgage broker has been made to feel they are at fault for this credit crisis. We are not at fault as we are the middleman bringing customers to lenders. It is the lender who makes the rules, programs and guidelines and they are the ones who underwrite the loans we bring to them. It is the LENDERS who erred and made loans to customers who could not pay due to our current market conditions, not the broker who helped get someone in a home and who might have used on of these programs. If the housing bubble had not happened, values would have been there to get these people out of these loans after they had either reestablished credit or clean up credit, but when home values dropped so dramatically that became impossible.

Consumers do not see us any differently as lenders on the surface even though they know we are not the "money man". It is not right that we should be made to provide documentation that other lenders don't have to comply with. There needs to be an even playing field without discrimination.

I earnestly want to see changes made in our industry that would prevent what has happened recently, but making it impossible to get a mortgage loan for the majority of our population is not the

answer. Make “lenders” be more responsible in their underwriting. Currently underwriting has gone so far in the other direction that the average customer is not able to purchase a home in today’s market place. This also has not helped our current situation as it has put most brokers out of business and has slowed the housing recovery. People are not able to purchase or refinance today. I may get 1 out of 50 loans that I can get a mortgage for today and loans that were considered good in the past, not the last 5 years but the past 27 years, cannot be done.

Thank you for time and consideration.

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