

From: Pine Valley Mortgage, Damien L. Herrera
Subject: Reg Z - Truth in Lending - HELOCs

Comments:

Date: Nov 12, 2009

Proposal: Regulation Z - Truth in Lending - Home-Equity Lines of Credit (HELOC)
Document ID: R-1367
Document Version: 1
Release Date: 07/23/2009
Name: Damien L Herrera
Affiliation: Pine Valley Mortgage
Category of Affiliation:
Address:

City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

In regards to the proposed rule change (Regulation Z Truth I Lending -Closed-end Mortgages): I am a small business owner and have been in the mortgage banking business for over 12 years. I have 12 plus employees that jobs are at risk with this proposed rule change. I regret that I have never made my voice heard before and have never taken the opportunity to comment on proposed regulatory changes in the past. However, my fate of my company, my employees and their families rest in whether this proposed rule change is stopped. The proposed elimination of YSP will unequivocally and undeniably destroy the mortgage industry and my business. I believe that the government is over correcting on reformation of the mortgage industry. Free market forces have already corrected the majority of all the problems that were plaguing our industry. The free market significantly raised credit standards, required IRS 4506 T on ALL borrowers to verify accuracy of income, lowered Debt To Income ratios and drastically changed all programs to require more down payments. Loans currently originated are some of the best quality of loans our industry has had in the last 25 years. The government was not behind this, but rather free market forces. ALL sub prime (non-conforming) loans are dead. The whole class of loans is non-existent. So are the bad brokers who built their business platform on those loans. The bad apples are gone. Those of us who remain are good, honest, hard working mortgage professionals who originate good quality loans for good credit risk borrowers. We have been and continue to be 99% VA government backed lender for soldiers stationed at Fort Bragg NC, home of the 82nd Airborne. We are already restricted to receiving no more than 1% origination fee form each transaction. If it were not for the YSP that we receive with each closing, we would not be able to continue to operate. Even though we give vastly superior service, rates and closing turn times, than the big banks, we would be forced out of business by the government. This is how well intended regulation goes awry and has unintended consequences. If the regulation is adopted as is, then the federal government would systematically exterminate every small business mortgage company in the country. Thousands of mortgage professionals would be unemployed, throwing our already fragile economy into a deeper recession. We will lose our homes, cars and force many

into bankruptcy, further damaging our economy and putting our recovery at risk. The government would simply eliminate competition to the banks in the mortgage arena. What do you think will happen to pricing when competition is removed? How will this help the consumer? This proposed rule change is anti-free market and a dangerous step in the direction of giving the "too big to fail" banking institutions a complete monopoly on the mortgage markets in America, while systematically eliminating thousand of jobs from independently owned mortgage companies across the country. I am sure Mr. Bernanke does not want to enact regulation eliminating a whole class of small businesses just to hand over our market share to the big banks, forcing, by no fault of there own, thousands of good hard working, honest Americans out of work. Mr. Bernanke, I implore you, stop this un-American regulation! Respectfully, Damien Lee Herrera CEO Pine Valley Mortgage