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2007 AUG 14 PM 12:49

**Mortgage Corporation**

INDEPENDENT REGULATORY  
REVIEW COMMISSION

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August 9, 2007

Pennsylvania Department of Banking  
Attention: Office of Chief Counsel  
17 North Second Street  
Suite 1300  
Harrisburg, PA 17101

RE: Official Comments

New Mortgage Regulation proposed by the Department of Banking (DOB) to the Independent Regulatory Review Commission (IRRC)

Dear Council:

This letter is to provide my input as a lifetime Pennsylvania resident and mortgage industry participant during the 30-Day Comment period regarding the regulation proposal listed above. I have specific comments that I will list below, but my general comment is "don't throw out the baby with the bath water." Let us not forget that home ownership is at an all time level in this country. We have a home financing structure which is the envy of the free world. I do not believe that it is in anyone's best interest at this time to add regulation that will restrict liquidity in the housing market. The market is contracting and correcting itself, even as I write this letter. I believe we have arrived in this situation primarily through the corporate greed of Wall Street much like the Internet bubble of 2000. To further limit financing options when lending guidelines and funding availability have and will be significantly limited in a flat or declining property value environment will exacerbate the problem. I do not favor state income/no doc loans for those individuals that hide tax receipts, but I have seen them work for small business owners, retirees with cash or people having difficulty selling their current home that otherwise could not move and/or incur financial distress.

46.2

(a) Good idea to reiterate. Take a look at any internet provider and most print ads. But, I believe the real problem exists outside our borders.

(b) In general between the Good Faith Estimate, Truth in Lending disclosures and reasonable business practice, all these items are addressed.

(b)(2) If you believe this is necessary, be more specific. Licensees should use a lock agreement. The current problem we have are with lenders, not brokers, closing their doors and renegeing on rate locks and fundings, consider America's Brokers Conduit ABC (American Home Mortgage), New Century Mortgage and Aegis. I have been a banker, broker and loan correspondent and the locking process is essentially the same for all entities.

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LEGAL SECTION

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(c) Enforce existing requirements.

(e)(1) Dangerous. In the past when underwriting was subjective and local it was not applied evenly. I think this should be deferred to national guidelines promulgated by the Federal Agencies. On a non-agency alternative program the borrower should acknowledge that the information provided in the application is based on their actual circumstances.

(f)(2) I have no idea of the thought, intent or applicability of this statement.

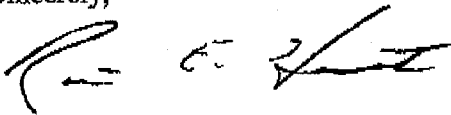
(7) Virtually all of our agreements with our funding sources already address this issue.

(8) and (11) Level the playing field. Realtor owned mortgage companies restrict competition.

(g) Add through the licensee's action or inaction a lender may not refuse to fund. Most "lenders" are large brokers to Fannie Mae and Freddie Mac or other conduits. Consider a current real example. A loan is locked, approved, documented and ready for closing. The day of closing prior to declaring bankruptcy ABC stops funding loans. The borrower is actually better off with a licensee who can move the loan to another lender, protect their interest as best as possible. While closing may be delayed or altered, the damage is limited.

I offer this information in good faith base on my experience. We should increase licensing requirements and provide a source to identify and punish violators. I can not and will not attempt compete with the cheaters that continue to take advantage of people. Should you have any question s I would be glad to provide any clarification or additional information that you may require. Any professional in our industry knows that protection and fair treatment of the consumer is the key to good and ongoing business. The balance is to regulate without restricting.

Sincerely,



Robert E. Heath  
President

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