

#2620

Tri-State Mortgage LLC

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Pennsylvania Dept of Banking
Attn: Office of Chief Counsel
17 N. Second St
Suite 1300
Harrisburg, Pa. 17101

INDEPENDENT REGULATORY
REVIEW COMMISSION

2007 AUG 14 PM 12:49

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Dear Counsel;

I'm writing this letter in response to the new mortgage regulations that have been proposed by the Dept. of Banking and are being considered by the State's Independent Regulatory Review Commission. While I wholeheartedly agree with the goal and spirit of the new regulations-to protect consumers from facing foreclosure-I do not believe that the proposed regulations would be an effective vehicle in achieving this objective.

In particular the section of the new regulations that seek to terminate stated-income and no-doc loans. It has been my own experience in this business that both of these programs have a valid and worthy position in the mortgage banking industry when utilized correctly. The market has adjusted accordingly these past few months to strengthen the legitimacy of these programs to insure that unscrupulous originators are unable to offer them to unsuspecting consumers. The minority of originators who abused these products and programs have seen the disappearance of same in the secondary market, which are now underwritten to guidelines that prohibit the abuses of the past.

I would like to remind the DOB and IRRC that foreclosure causes have remained consistent before during and into the future-loss of job, divorce, illness and other unexpected lifestyle changes, but not stated-income and no-doc loans.

A future side affect of these new regulations will be the elimination of credit options for consumers who are currently struggling to obtain mortgage financing. The very people who are supposedly being helped by the proposed regulations will now be without options as a result of their implementation. While I'm in agreement that there is a problem that needs fixing, this is simply not the way to proceed. I believe that mandatory pre-licensing testing and continuing education will eliminate unscrupulous originators and that the secondary market adjustments to these products have made them an on-going viable option for consumers who need those options. The proposals as now written will hurt the Mortgage Banking/Brokering business and consumers alike without any advantages to either.. Please reconsider and propose more effective and sensible proposal.

Sincerely,

Thomas McCullough
President
Tri-State Mortgage LLC

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AUG 14 2007

DEPARTMENT OF BANKING
LEGAL SECTION

Licensed—PA Dept. of Banking
Licensed Pursuant to the Secondary Mortgage Loan Act

Gelnett, Wanda B.

From: Ernest, Judith [jernest@state.pa.us]

Sent: Tuesday, August 14, 2007 12:44 PM

To: IRRC

Cc: Lopez, Robert (Banking)

Attached please find the following comments that were received on Tuesday, August 14, 2007.

- (1) Tri-State Mortgage, **Form letter: 2 others received.** (From: McGinness Mortgage and David Eldon);
- (2) Provident Mortgage Corporation;
- (3) Fairway Consumer Discount Company; and,
- (4) Brokers Realty (email).

If there are any questions or concerns, please feel free to contact me.

Thank you.

Judy E. Ernest
Administrative Officer
Department of Banking
17 N. 2nd Street, 13th Floor
Harrisburg, PA 17101
Phone: (717) 787-9573

8/14/2007