



2620

RECEIVED

2007 AUG 23 AM 9:19

INDEPENDENT REGULATORY
REVIEW COMMISSION

August 15, 2007

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

Dear Council,

I am writing this letter in response to the new mortgage regulations that have been proposed by the Pennsylvania Department of Banking (DOB) and are being considered by the commonwealth's Independent Regulatory Review Commission (IRRC).

The proposal to eliminate stated-income and no-doc loans is not a good idea. While I understand that the new regulation has been proposed in an effort to help protect consumers from facing a possible foreclosure, I do not believe that a regulation to eliminate these loans will not help alleviate this problem and will only serve to eliminate vital products needed to secure mortgage financing for a large segment of the population.

As a small business owner myself, I personally rely on stated-income and no-doc loans to secure mortgage financing. As a Certified Financial Planner™ and mortgage broker, I have many self-employed clients, many clients who are the owners of small businesses (the heart of American business), and many wealthy clients who do not wish to disclose all of their personal financial details nor have the time to prepare what would be all of the documents required by lenders to disclose all income sources and assets. Stated-income and no-doc loans play a vital role for me and these qualified and financially responsible people. It is my professional opinion that the loans themselves are not a problem, but rather they have been used incorrectly in the past by a minority of inept loan originators.

I would also like to remind the DOB and IRRC that the main reasons for foreclosure have remained consistent before, during and probably after the current housing cool down – loss of job, divorce, illness and other unexpected lifestyle changes, but not stated-income and no-doc loans.

While I agree that there is a problem in the current industry environment that needs a solution, this is simply not the way to do it. It is my sincere hope that an alternative solution will be brought to the table to protect the stated-income and no-doc loans that, when used appropriately for the intended users, play a vital role in today's mortgage market.

Thank you for your prompt attention to this matter. Please feel free to contact me with any questions or concerns with regard to this matter.

Regards,

David L. Kuhn, CFP®
President/Owner

140 North Lime Street
Suite #201
Lancaster, PA 17602
Phone: (717) 394-3600
Fax: (717) 394-3600

Investment Advisor Representative
with and Securities offered through
Investment Services, Inc. Member NASD.
SIPC, Synergy Financial Group, Inc.
is licensed by the Pennsylvania
Department of Banking.

RECEIVED

AUG 15 2007

DEPARTMENT OF BANKING
LEGAL SECTION