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INDEPENDENT REGULATORY REVIEW COMMISSION

Dear Sir or Madam:

My name is Michael Howington and I'm the president of American Advantage Mortgage Services, LLC. I'm writing this letter in regards to the proposed legislation on the Stated Income and No Doc loans in Pennsylvania. I've been in the mortgage industry for over 12 years and yes we all know that there are some loan originators that have crossed the moral line on stated or no doc programs. But, these programs are a vital part of the mortgage industry and have their place in the market when utilized correctly. The proposed ban on stated and no docs loans would make it virtually impossible for self employed people achieve the American dream of home ownership. People such as me, every Real Estate Agent, contractor, builder all the way to the smallest in home business owner would suffer by not being able to buy a home that we know we can afford. The Stated Income and No Doc programs were designed for such people but they were not designed for the Fixed Income Borrowers with limited income sources. If the new legislation is put into law I do feel that there will be an enormous economic backlash in Pennsylvania when the Builders and Construction Companies start laying off their workers due to the lack of new home and construction demand. This will lead to a higher unemployment rate in Pennsylvania. I also feel that after the layoffs of construction workers the retail market will start to suffer due to the lack of shopping which will in turn affect the factory and production industries. Everything in this world is interconnected in one way or another financially. The down slope of the mortgage and banking industry has already started to affect the automobile industry and it will start to affect the other markets as well. Now, with the daily news about the foreclosures in our country everyone is trying to find a scapegoat and of course they all try to point the finger at mortgage industry. Why isn't anyone taking a closer look at the real problems out there? In York County where I live the foreclosure rate is up a reportedly 112% but NO One makes a comment about the Taxes going up 200% over the past few years. Did you know that it cost more per student to go to Dallastown School District than it does to Penn State?

As I stated earlier, there are a small hand full of immoral Loan Originators in every state. But, these Originators can be controlled or ejected from the mortgage industry but implementing Loan Officer licensing and mandatory continuing education. I would also go a step further and have annual or semi-annual testing for all license holders. The Loan Officer license should be assigned to the Licensed Mortgage Broker of record, who should be held accountable for the Loan Officer's actions. I would very much enjoy sitting with you at your convenience to discuss all of these matters and other possible remedies.

Respectfully Yours,

Michael Howington

President

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DEPARTMENT OF BANKING
LEGAL SECTION

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