

Ernest, Judith

RECEIVED

From: shebodies@comcast.net
 Sent: Monday, August 20, 2007 1:55 PM
 To: BN, PA Banking
 Subject: proposed stated loan changes in PA

2007 AUG 23 PM 4:11

INDEPENDENT REGULATORY
REVIEW COMMISSION

August 17, 2007

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

RECEIVED

AUG 20 2007

DEPARTMENT OF BANKING
LEGAL SECTION

Dear Counsel:

I understand that the Pennsylvania Department of Banking has proposed new mortgage regulations that are currently being reviewed. I am very concerned about one particular part of those proposed regulations.

As a black woman who has fought hard to start a business and purchase a nice home, I feel that I have earned the right to make my own financial decisions. I make all of my payments on time, pay my taxes and contribute to society.

Suddenly, I am told, I will no longer be able to use my good payment history to refinance my home or buy another. While it is not imminent, my loan has a balloon feature that will require that I refinance. As a business owner, I have many tax advantages over employed people. I can deduct auto expenses, insurance, computers and other things employed people cannot. Unfortunately, many lenders do not recognize that advantage.

My current lender did and allowed me to purchase my home without proving income. It is my understanding that the proposed mortgage regulations will not allow me to obtain a loan without fully proving my income, even if a lender believes that I am a good risk. That seems very unfair. I am not advocating giving a million dollar loan to a cab driver. But self-employed individuals with established businesses should not be forced to be employees to get a mortgage.

As I understand federal law, any regulation that tends to impact minorities disproportionately is illegal. I know that many minorities use no income or stated income loans to buy a home or use the equity in their home to start a business. The State Bank Commissioner needs to study what classes of people use no income verification loans. I doubt such a study has been done.

I have friends who have adjustable-rate mortgages that will soon see large payment increases. They obtained their mortgages without having to document their income. If this new regulation proceeds as planned, they will be stuck with high rates, unable to refinance.

It is one thing to protect individuals who are tricked into a loan they did not understand. It is quite another to prevent other borrowers from getting a loan that they fully understand and helps them achieve their goals.

I urge you to consider carefully removing the rights of people to get loans they desire from lenders who can review many factors and decide these people are a good credit risk.

Sincerely,

Sheritha D. McKenzie

8/22/2007

445 Pulaski Place
Dallastown, PA 17313

8/22/2007