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INDEPENDENT REGULATORY
REVIEW COMMISSION

August 17, 2007

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

DEPARTMENT OF BANKING
LEGAL SECTION

Dear Chief Counsel,

I am writing this letter in response to the new mortgage regulations that were proposed by the Department of Banking. While I agree with the intent of the new regulation - to protect consumers from facing foreclosure - I do not believe that these regulations will effectively achieve this aim.

The sections of the new regulations that seek to terminate stated-income and no-doc loans need additional consideration. Both of these loan programs have a valid place in the market when utilized correctly. These loans themselves are not the problem, but rather that they have been used incorrectly by a few loan originators. I personally feel that the mortgage lenders and secondary market are in the best position to establish lending programs and requirements based on the risk, credit, rate and qualifications.

I would like to remind the Department of Banking that the main reasons for foreclosure continue to be the loss of job, divorce, illness and other unexpected lifestyle changes, mismanagement of their personal credit and the inability to adjust to the increase in their monthly payment on an adjustable mortgage, not the stated income or no-doc loan.

A troubling side effect of these new regulations will be the elimination of credit options for people who are currently struggling to obtain loans. The individuals who are supposed to be helped by these rules will now be underserved as a result of their implementation. While everyone is in agreement that there is a problem, this is simply not the way to solve it. These regulations will hurt the industry and consumer alike, without bringing advantages to either party. They should be reconsidered.

Sincerely,

Jack Voorhees
Jack Voorhees

109 Barry Drive
Clarks Summit, PA 18411

