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718 E. Drinker St.
Dunmore, PA 18512

MORTGAGE INC.

INDEPENDENT REGULATORY
REVIEW COMMISSION

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www.wfandkmortgage.com

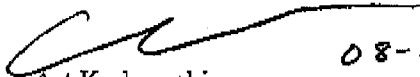
AUG 20 2007

Dear Council,

DEPARTMENT OF BANKING
LEGAL SECTION

I have found it necessary, in light of recent mortgage industry events to comment further on the soon to be considered legislation. Since the fourth quarter of 2006, 127 major U.S. lenders have gone bankrupt or ceased operations. As of the latest count over 300,000 employees (consumers) have lost their livelihood. As I write this letter I am following the news that Countrywide Home Loans, the nations largest residential lender is on a path to insolvency. Many of my friends are without work and just today my son called to let me know that he is no longer employed, his company Mercantile Mortgage had to close. This distressing news could only be worse if the proposed legislation became reality. I implore you to consider your decision with the utmost seriousness. Council members you have the future of tens of thousands of mortgage industry employees in your hands. In conclusion it seems to me your legislation is a bit late; the industry has taken care of stated loans for you. Criteria for a stated mortgage approval have become so difficult that it is nearly impossible to approve one. The mortgage broker business model does not work at 3 % max fees. Mortgage brokers account for nearly 2/3 of all residential mortgages nationwide. If the broker business model is threatened, Pa. homeownership will be in serious jeopardy.

Best Regards



08-17-07

Art Karbowski
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