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DEPARTMENT OF BANKING
LEGAL SECTION

718 E. Drinker St.
Dunmore, PA 18512

MORTGAGE INC.

INDEPENDENT REGULATORY
REVIEW COMMISSION

www.wfandkmortgage.com

8/17/07

Dear, Council:

I am writing to voice my opinion and concerns about a proposed bill before the commonwealth's Independent Regulatory Review Commission (IRRC) from the Pennsylvania Department of Banking (DOB). The proposal to eliminate both Stated Income and No Doc Mortgages is nothing more than overkill! In today's market these loans are only available to consumers who have a proven track record of paying their financial obligations in a timely manner which in turn results in a Credit Score in the good to excellent range (660+). Historically these mortgages have no higher foreclosure rate than conventional mortgages. I grant you in the past when these programs were available to less qualified borrowers the risk of foreclosures may have been greater this problem has been dealt with by the lending community and corrected increase credit score minimums and decreasing available loan to value on these programs.. I see no reason to have it regulated by a third party the IRRC.

Another issue of great concern is the proposal to limit the charges associated to a mortgage to 3% of the loan amount current limitations on most programs is 5%. I see no reason for this, if a customer is fully aware of all charges associated with a particular program and agree to the terms what makes that any different than any other type of business transaction? If a contractor gives you a quote on a job and you agree that it is fair there is no regulation on what they can make! If a lawyer quotes a client on what fees he is going to charge on a particular case are they limited as to what they can make? I could go on and on with different scenarios the point is "Profit" is not a dirty word. When you take into consideration the cost of doing business not to mention the increasing cost of living how is it feasible to lower a person income by as much as 40%!

No matter what legislation is put into place you are never go to stop foreclosures on these or any other types of loans , foreclosures occur for a variety of reasons loss of job, personal illness, divorce, social deterioration of neighborhoods all of which are unforeseeable occurrences not because of the type of mortgage program.

Please take into consideration these circumstances before putting into place regulations that will only hurt more people and do nothing to correct the problem!

Best Regards

Rick Andrews
Loan Officer WF&K Mortgage Inc.



TOLL FREE: (877) 342-6600

PHONE: (570) 342-7150

FAX: (570) 342-7157