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Please respond to Mike Schnezler <rnik@presidentialmortgage.com >

Record Type: Record

To: John Morrall@EOP

cc:

Subject: Comments Regarding Federal Regulations Including Federal Regulations Affecting Small Business

Thank you for the opportunity to express concern about a small business issue.

I am a Mortgage Broker located in the great state of South Carolina. I am also the President of the South Carolina Mortgage Broker's Association.

We are very concerned about an issue called Predatory Lending, that has become a blight on our industry. Mortgage Brokers today account for more than 60% of the entire home loan market. Less than 40% of loan applicants actually go to banks, credit unions, etc. today. This is due to the fact that Mortgage Brokers take the time to evaluate every situation, help those buy homes who have been turned down elsewhere, and work hard to counsel homebuyers. Mortgage Brokers are mostly comprised of small businesses with 15 employees or less.

We are one of the most regulated industries in existence, and every year we have more and more disclosures to provide to consumers, who in most cases do not fully understand the mounds of paperwork. We as an industry have tried for years to work with HUD and industry groups to simplify the process, make it more understandable to the consumer, and most importantly, less paperwork reduces the cost of the mortgage for homebuyers. These efforts fall on deaf ears year after year.

There is no doubt about it that the extreme rise in homeownership over the last 10 years is due to the rise of the Mortgage Broker Industry. To make things worse, we are now being bombarded by class action lawsuits over a concept called "predatory lending". Not to say that there are no bad apples in the bunch, but we are being made out to be "Predators" and are being labeled as such for merely making the dream of homeownership come true for most.

Senator Sarbanes has introduced legislation (Predatory Lending) which if successfully passed, will kill our industry. We are already one of the most overregulated industries in existence, and the details of senator Sarbanes proposed legislation would add salt to an open wound.

In South Carolina alone, there were over 1 million home loans originated last year, less than 46 complaints at our state consumer affairs office. 46 versus 1 million loans!! The same percentage is fairly equal amongst all states. But with Predatory Lending, you hear about the very few consumers who had a bad experience.

Please research this matter and if truly studied, you will find that we are a very respectable industry and not the "Predators" that certain very liberal consumer groups like ACORN make us out to be. They enrich themselves and their fundraising coffers on our sweat and tears.

have you ever applied for a mortgage and been amazed at the 50+ disclosures that are presented?

We respectfully implore, no more regulation on the home mortgage industry.

Sincerely,

Mike Schnezler
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