

From: "Scott Keegan" <skeegan@namp.org> on 08/14/2007 02:35:09 PM

Subject: Subprime lending illustrations

The following is the official comment of The National Association of Mortgage Professionals pertaining to Proposed Illustrations of Consumer Information for Sub-prime Mortgage Lending as contemplated by the Sub-prime Statement:

Reference Illustration I

Why waste the time, energy and paper? Every item proposed, except for higher pricing for reduced documentation, is already disclosed by RESPA, Truth-in-Lending Reg. Z. Reduced documentation does not always, though usually, result in higher pricing.

The issue is not more illustrations or wordy pieces of paper. The issue is having a professional at the point of sale. None of the recommendations does anything to change the way business is conducted today.

The issue is correctable AT THE POINT OF SALE! Require a professional Mortgage Agent!

A Professional Mortgage Agent will explain the reduced initial interest rate, which is reflected on the Reg. Z.

A Professional Mortgage Agent will explain impounds for taxes and insurance which are reflected on the Good Faith estimate.

A Professional Mortgage Agent will explain how a balloon payment works; whether it requires a refinance, payoff, or has a conversion feature.

There are already rules and regulations in place. Enforce them. Require Mortgage Agents to be professional and take accountability!

Sincerely,

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