

FOR IMMEDIATE RELEASE

Press Contact: Josephine Nicholas, CMPS Institute
888-608-9800 or josephine@cmpsinstitute.org

Fed's Dangerous Mortgage Rules Harmful to Consumers

What every home owner and buyer needs to know about the Fed's mortgage proposals

Ann Arbor, MI, April 7, 2008 – The 90 day public comment period ends on Tuesday, April 8, for the Federal Reserve Board's [proposed rules](#) to amend regulation Z, which implements the Truth in Lending Act and the Home Ownership and Protection Act. "Some of these proposed rules will affect only subprime loans, but some of these rules will affect all loan transactions – including Prime loans," said Gibran Nicholas, Chairman of the [CMPS Institute](#), an organization that certifies mortgage bankers and brokers. The CMPS Institute has just completed an [exhaustive review of the proposals](#), and they have sent their comments to the Fed.

- [Here is a link to the Fed's proposed rules](#)
- [Here is a link to the CMPS Institute comments and addendums regarding the Fed's proposals](#)

The main topics addressed in CMPS' comments:

- The proposed use and reliance on APR as a benchmark for various regulations and disclosures – APR is deceptive and harmful to consumers and the Fed should discontinue the use and reliance of APR in the proposed rules as well as across the board in TIL and other home mortgage disclosures
- The proposed restructuring of broker yield spread premiums – the proposed rules are inadequate, ineffective and should be modified to better protect consumers
- The proposed regulation of certain advertising practices – some of the proposed rules are unclear, while others contain an over-reliance on APR and should be modified to better protect consumers
- The proposed elimination of "stated income" and "no documentation" loans in the sub-prime market – the proposed rules will severely limit the homeownership and financing options available to disadvantaged, minority, elderly and other homeowners with special needs or limited and/or unusual sources of income. The proposed rules should be modified as suggested by the CMPS Institute to address these concerns
- The proposed regulation of prepayment penalties – the proposed rules should be modified so that they won't drive up interest rates and costs for all consumers

Additionally, CMPS Institute [attached three addendums to their comments](#):

- Addendum A – CMPS Institute's proposed Home Mortgage Summary Disclosure Form that should be used as sample guideline for replacing the TIL, GFE and other confusing mortgage disclosures
- Addendum B – Sample advertisement for a 2 yr ARM to support CMPS' comments on the Board's advertising and APR guidelines
- Addendum C – Sample advertisement for an Option ARM to support CMPS' comments on the Board's advertising and APR guidelines

Please review [CMPS' comments](#) and let the Federal Reserve Board know your feedback as well. You can email the Board directly at: regs.comments@federalreserve.gov – you will need to use "Docket No. R-1305" as the subject line of your email.

If you agree with any or all of the comments prepared by the CMPS Institute, please include the following phrase in your comments:

"Additionally, I support and agree with the comments submitted by the CMPS Institute which can be found at:

<http://www.cmpsinstitute.org/pdf/CMPSCommentsforFRB.pdf>"

Remember, the deadline to submit comments is Tuesday April 8th. The more people who indicate support for these comments, the more likely they are to be considered.

About [CMPS Institute](#): CMPS is a training, examination, certification and ongoing membership program for financial professionals who provide mortgage and real estate equity advice. The CMPS Institute was formed as a [joint effort by leaders in the mortgage and financial planning industries](#) to raise professional standards among mortgage professionals and integrate sound financial planning advice into the [mortgage process](#). Recognized for its preeminence within the industry, the CMPS curriculum represents the core knowledge expected of residential mortgage advisors, regardless of the diversity of specializations within the industry. For more information or to locate a certified professional near you, please visit www.CMPSInstitute.org or call 888.608.9800.

Press Contact:

[Josephine Nicholas](#)

CMPS Institute

888-608-9800, ext. 102