

Local broker exposes the unethical side of business

by *Laura Adelman*
Staff Writer

Mortgage lender Joe Metzler is on a mission.

After years of competing against mortgage brokers who use questionable, and in some cases illegal, methods of doing business, he's determined to educate the public.

Metzler has dedicated his Web site, www.joemetzler.com, to exposing the methods some unscrupulous mortgage brokers are using to get people into paying more for their mortgage.

"The information on the Web site is equivalent to a used car dealer going on-line and presenting to people all the

tricks some of those guys use to get them to buy a car," he said.

Among the most informative pages on Metzler's site is a document titled "Beware of the Bad Good Faith Estimate."

Metzler explains that many mortgage brokers don't disclose all costs, which may include state taxes, title fees and/or handling fees.

Legally, he says, mortgage companies must provide clients with an estimate of all closing costs within three days of their application. However, Metzler said, "The estimates are supposed to be very accurate, but they can be a mile off."

Usually, it's not until closing day

that customers discover the real cost of obtaining a mortgage loan far exceeds the estimate, Metzler said.

Among the "tricks" Metzler identifies are good faith estimates that include costs that are "TBD" (to be determined), excluding the state's required recording fees and interest rates that are more than one-quarter point lower than available from other mortgage companies.

Metzler explains, "All lenders have about the exact same costs for doing your loan. No one can do your loan significantly cheaper than anyone else can."

In some cases, Metzler says, warning signs are available to customers before

they walk into a broker's office or lift the telephone.

Brokers who don't include the Annual Percentage Rate (APR) in their advertising, which allows an apples-to-apples cost comparison among loan companies, are likely out to deceive, according to Metzler.

"There are laws requiring the APR to be in every ad, but they are very weak," Metzler said.

He hopes that his Web site informs the public enough to eliminate the brokers who are involved in these types of unethical practices.

"I'm amazed at the number of people saying every week that I have the best Web site in the nation," said Metzler.



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