

**From:** "Alan" <aadams@trustmortgagecapital.com> on 04/01/2008 09:55:03 AM

**Subject:** Regulation Z

From: Mr. Alan P. Adams  
Hometown: Coconut Creek, Fla.33073

Dear Board of Governors,

I want to thank you in advance for reading the facts and opinions expressed below in its entirety. You will understand how us front-line broker/originators feel toward our profession, our regulations and most importantly, our clients. We are passionate about our existence and what we are able to accomplish for our clients and their dreams.

The proposed rule amending reg-z ( R-1305) and how I interpret it is completely biased and heavily weighted to benefit the larger lending institutions who themselves, charge fees and quietly, sell the notes and servicing rights! They're goal is to make money and they will be doing just that with no more competition once you try to eliminate the brokering community. Our consumer is not going to benefit as you have intended. I am for further protecting the consumer against malice but another attempt to flush a sector of professionals that have the ability to shop for the clients best deal from coast -to-coast is a knee jerk attempt to fix our lending and brokering problems.

Have you ever walked in a large bank, Bank of America, Wachovia, Washington Mutual??? Their rates, their fees and no mention or proof of what they are earning on the HUD. Are you kidding me???????????????????? You are not helping consumers. You have now forced them to take what is offered or force them to drive to the next bank and start all over. Using brokers levels the playing field and gives the consumer alot more choices and, THEY CAN STILL SHOP THEIR LOCAL BANK to compare!!!!!!!!!!!! Here's another FACT, if your score is below a 620, be prepared to have your request for a mortgage laughed at by most larger institutional lenders who do KEEP A SCORECARD AND DO HAVE THEIR ASSETS ASSESSED BY SHAREHOLDERS WHO DO NOT FAVOR A HIGHER RISK PORTFOLIO ULTIMATELY PRESERVING THEIR STOCK PRICE AND RISK VALUATIONS!! Higher credit portfolio's earn more money for, say it after me please..... THE LENDING INSTITUTION. The rich getting richer disease. Do you ask them to disclose that? Why not? It does turn into compensation, ultimately derived from a mortgage transaction. Those notes are sold at higher premiums. They don't disclose YSP. Brokers do. We have done all that is asked from us to spoon feed our fees down to the penny. Our fees are on the GFE signed at application. Our fees paid to us by lenders are also acknowledged. Rate is giving but not typically locked due to time taken to facilitate all that is needed to process, and close. Much of the time, brokers will lock in rate at a lower rate if the opportunity arises. This is a jubilant phone call to the client and sustains good will in the transaction. Adding additional disclosures will confuse clients, slow down purchasing of a market that really needs funding in an expedited manner. Heres the most important fact: Lenders want the legit, ethical brokering community as they still make money after compensating us!!!! Cutting us out or trying to by mandating a knee jerk band-aid will hurt the consumer. Its 20 minutes trying to cash a check in a bank, they aren't set up for the masses of home buyer and owners that we brokers collectively engage and deliver what was promised. How do you think the brokering community came about?? Over-flow. NOW IS NOT THE TIME TO TIE OUR HANDS! Weed out the weeds and water the grass. The landscape will be greener! Yes, there are un-ethical brokers! You are correct. Find a way to expose them and broom them out. Don't tie our hands with more confusing disclosures that only muddy the waters. The borrower is being made totally aware of our fees and has options to negotiate rate and fees and yes, they do negotiate. The system in place is working. Most of our closings have the consumer asking questions about why there is soooo much paperwork. Most of it is redundant in triplicate.

My next point is the over the proposal of determining, calculating and quantifying the earnings of the mortgage broker prior to an application or signing of a 1003. That is an un-realistic burden and is proposed to scare clients back to the very banks who do not have to compete in this manner. If a disclosure is mandated such as this, it needs to be for all who participate in a real estate transaction that are providing the source of funds. Have you considered this: When you ate out last, did you get a bill prior to ordering?? Could you have received a bill prior to eating? If you could have, how would you have felt if you could no longer order any additional items as the bill was already set in writing. That is a similar comparison and it makes no sense to start operating in a counter productive manner to fix a problem that is already disclosed to the max with fees from the broker listed on the application, GFE and yes, the closing docs. For gods sake, this measure, if enacted can only hurt consumers by limiting the ability to shop for a mortgage if larger banks do not have to be held to this same reform. **FAIRNESS TO ALL WHO ARE IN CHARGE OF THE FUNDING ASPECT OR WHO ARE SEEN AS THE MORTGAGE PROVIDER!!**

In conclusion, I am a consumer too and yes, I wish to be made aware of things that dictate my ability to repay. It is my **PASSIONATE** opinion that while some mortgage brokers need to be reined in, the people that have walked away from their home in foreclosure is due to many other factors and not how much a lender paid a broker to originate a loan. My 12 years in this business gives me the ability to reflect on what I've seen and originated and let me make this last fact critically clear... The last 5 years produced allot of investors and 2nd home owners whose ideology was to sell for a profit at some point. Little to none uttered any indication that this transaction was permanent. The lenders are foreclosing on homes that have **NEG AM** loans with a minimum payment of 1.00%!! There goes your high interest rate theory. Yes, there are the legitimate foreclosures due to employment, divorce or other personal issues but the masses were what was described earlier and since the market poses no hope to sell and earn a profit... They walk away to regain their lifestyle. **WALL STREET** was thirsty too in their in-satiable thirst for these 8% loans at 100% LTV. They offered it, we sold it and everybody was happy. Rarely did we compensate over 2% total fees due to heavy competition from lenders and other brokers. Much less that the real-estate commission of 6-8%. Why is there no crying about that? Like the stock market of the late 90's where I myself watch \$120,000 slip away, I was aware that values drop and it wasn't the fault of my stock broker who made plenty of dough off my business. He's still in business with the same reg's from 10 years ago. Buyer beware in all that a buyer gets involved with. They have their agenda and making money off real estate was **THE DRIVING FORCE** behind this debacle we are living today.

I want to thank the Board of Governors for reading, considering and using my real life epithets, facts and opinions to ultimately full-fill their agenda of protecting our consumers.