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Subject: Regulation Z

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We certainly support the Federal Reserve Board's goals in providing consumer protection but we respectfully oppose many of the current proposed amendments to Regulation Z.

Please consider the following points:

My wife and I currently have a loan that is closing today which we have worked on for quite some time to obtain the best possible scenario for our consumer. They currently have a mortgage with a local bank that has them paying $1400 a month for their mortgage. In this re-financing process, we will provide the consumer with a payment of a little over $700 with a fixed long-term mortgage. We disclose all of our fees on the Good Faith Estimate.

The yield spread premium is initially disclosed on the Good Faith Estimate as a percentage range. The exact YSP will not be available until the loan is actually locked. In our last transaction, we received no compensation for yield spread premiums and even had to use some of our origination fees to help the consumer obtain the rate they desired. Yield spread premiums are a great buffer to help obtain the rate the consumer desires. If any is left after helping to pay unexpected costs of the loan transaction or facilitating the loan transaction, this certainly provides a much needed compensation for the mortgage broker. On the above mentioned loan closing today, we will receive $200 through the YSP.

The mortgage broker fees in Georgia and Florida are probably the most disclosed fees of any businesses in these two states. If all states do not have these same disclosure requirements and follow these two states' loan requirements, then perhaps the Federal Reserve could use this as a means of consumer protection by making sure the models of Georgia and Florida are followed.

It would only be fair that all other lending institutions are required to disclose everything that mortgage brokers are required to disclose.

In regard to the rise in foreclosures, there were some who did unscrupulous things but they are a minority. One need to look no further than the cost of the war in Iraq, the high cost of gas, and how the traders in the stock market recklessly traded in the market with mortgages; especially sub-prime--all of these factors appear to be the major cause of our current financial problems which certainly would contribute to a rise in foreclosures. The companies we represent always require the necessary documents to make a good underwriting decision. Think about this, you have more homeowners than ever. The larger the number of homeowners, the larger the number of foreclosures.

There is a need and legitimate market for stated income/stated asset loans as well as interest only and ARMs. Maybe one should look into the balloon mortgages that banks have provided to builders and investors and check out the money loss there. Perhaps the balloon mortgages; particularly, the short term (one year or less) balloons, are one of the problems instead of ARMS and interest only. However, I still think it is the downturn in the economy.

ARMs and interest only problems in my opinion have to be the direct result of higher gas prices and associated rising costs in our economy. The person who now spends an extra $250-$500, if not more, on gas, groceries, and consumer goods surely did not see this coming when they took out the loan that could change rates in 3 to 5 years. This could take the money they had budgeted in case their interest rates went up. However, currently with the dropping of interest rates, these mortgages should not have gone up, so is there really a problem here because of the loan or is it the economy?

The stated income/asset loan is a necessity of self-employed individuals. At present their rates should not be affected because of the drop in interest rates. Therefore, my point should be well taken about the rise in gas prices and consumer prices as the major contributor of the current financial concerns.

For mortgage brokers to precisely predict about whether a loan would foreclose in seven years would require them to be able to regulate gas prices, grocery prices, consumer's employment, financial spending of each individual, etc. There is always going to be risk involved even with the greatest loan model of risk calculations. You cannot know if you sell an insurance policy that the person will not go out the next day and have an accident that kills them.

Recently, my wife and I had to decline a person for some financing that we did not have the ability to do. This person had already been to their local bank and they appeared to him to be extremely high on rates and fees for the in house loan. He then went to see a loan originator at another bank we had worked with before on loans we could not do. This loan originator actually worked for the same bank in his town just another city location. She provided him with another quote with good rates and fees with an in house loan, not knowing he had been to their same bank in another town. She was embarassed in that she may have upset the person at the other bank with the higher rates and fees. Again, any disclosures and regulations should apply to all mortgage originators, not just brokers.

The NAMB is the voice for competent mortgage brokers. I urge you to listen to their suggestions and please consider their requests. We are a necessary business for consumers and for our economy. It appears Georgia and Florida already have the proper disclosures for mortgage brokers. We certainly do not need any more restrictions on our compensation because it certainly appears that this is not the problem in regard to consumer protection goals. Stated income/stated asset loans and ARMS when used correctly are a viable product for some consumers. Do not eliminate lenders from being able to offer these programs for solutions to needs of some of our consumers.

Thank you for allowing mortgage brokers like myself to provide our input. I know that all of you possess much more in financial intellect than myself and that the right thing will be put forth after your "brain trust" digests all the information.