

From: "Jeff Hawk" <jhawk@mdmutual.com> on 04/03/2008 03:45:07 PM

Subject: Regulation Z

Hello,

My name is Jeff Hawk and I own a small mortgage broker shop in Maryland. I am writing this letter to discuss some particular issues with the proposed amendments to Regulation Z. We are in full support of consumer protection however the amendment is NOT beneficial to the mortgage brokers. We as mortgage brokers provide a service for all of our clients. We should not have to disclose anything more than the Lenders disclose. It just doesn't make sense that a lender will not have to disclose what they are making on a loan. Any disclosures should apply equally to all originators, not just mortgage brokers.

The credit crunch that our country is going through is NOT the mortgage brokers fault. We as brokers simply place borrowers into a program that the lenders present us. In a nutshell, we sell products that the lender provides us. It is not our fault that the lenders became greedy and started coming out with high risk products for people with low credit scores. We do NOT underwrite or fund loans as mortgage brokers. So ultimately, the lenders are the one to blame in this situation, not the brokers.

Let me give you a real life example of how real life transactions take place in America. When I go buy a car, does the salesman have to disclose every penny they make? NO. If they did disclose every dollar they made, competition would be out the door. When I go to the grocery store and buy milk or bread, do they disclose the markup on these products? NO. If they did, all prices would be the same for all grocery stores. When I buy a pair of jeans at the store, do they tell me how much profit they are making? NO

MORTGAGE BROKERS ARE THE ONLY ONES THAT DISCLOSE WHAT WE MAKE ON EACH TRASACTION. This is real life, we already disclose all of our fees, yield spread premiums, processing fees, administrative fees, etc, etc. NO other business in America does this. More regulations against mortgage brokers will ultimately HURT the consumer. I have been a mortgage broker for 12 years now and I would say I can beat a lenders deal 95 out of 100 times. So why should we have to disclose more than a lender?

Another point in the amendment that I disagree with is the disclosure of precise dollar amounts of fees prior to application. We can't give an accurate assessment of fees without knowing a clients financial status, credit scores, appraised value of the home. With all the lenders tightening their guidelines, we as brokers can't even quote someone an interest rate without, pulling credit, verifying income and finding out how much their home is worth. This is why it is impossible to disclose fees prior to the submitting on an application.

If you do decide to add more disclosures to this already over disclosed industry, please make it equal for both the mortgage broker and mortgage lender. If everything is equal, it will add competition to the industry. This competition will ultimately help the consumer in the long run.

Thank you for your time and for considering my comments. I hope the right decisions will be made to help the mortgage industry, not hinder it.

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