

**From:** "Raymond Fraser" <rfraser@lsrlending.com> on 03/26/2008 04:45:01 PM

**Subject:** Regulation Z

I am writing to respond to the proposed rule changes to Reg Z.

It is my understanding that the Federal Reserve has proposed a new rule which would implement several measures designed to protect consumers. Among other provisions, the proposed rule would prohibit mortgage brokers from receiving any compensation unless the specific dollar amount of the total compensation the broker would receive from both the borrower or the lender, including yield spread premiums, was agreed upon with the borrower *before* an application was submitted. This requirement would be in addition to the disclosures regarding broker compensation required by current law to be included in the GFE and HUD-1. While there have been some less than scrupulous operating over the last few years, the vast majority are honest hard working Americans trying to make a living. This rule change would cause significant hardship on the general mortgage Broker community to make a living.

I am licensed in the state of Florida along with some 59,000+ other licensed mortgage brokers and as a group, I can assure you they would all object if they took the time to review and respond. Florida already has a very stringent disclosure law that was established 10/2007. We are also one of a few states that requires actual study, classroom instruction, and testing to be licensed. We do not need these additional requirements to further constrain our ability to earn a living. Also, the requirement to require disclosure, which already exists, is punitive to a Broker. If it is valid to disclose this to the consuming public.....it should be that way for types of lenders to disclose to all consumers, not just by brokers.

It would be refreshing if you actually had professionals in the business review and even write these laws that know a little something about what you are trying to legislate because it is clearly apparent the authors of these revised regs do not. Higher yield spreads are necessary to reduce overall costs to the consumer, not to be punitive as the brokers in many cases use some or all of this spread to pay costs to the mortgagor.

Please listen to NAMB as they give you helpful suggestions on how to make this new law workable.

Raymond H. Fraser, Jr.  
President & CEO  
LSR Lending, Inc.  
10175 Fortune Pkwy #1104  
Jacksonville, FL 32256  
Office 904-363-0446  
Cell 904-613-7947

Fax 904-363-0479  
[RFraser@LSRLending.com](mailto:RFraser@LSRLending.com)