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Subject: Regulation Z

There is no way we can stay in business with the new high cost regulation of 3% on a 1st loan. At this point there are not a lot of 2nd loans. So you have to make money on the 1st loan. Regulation is fine over regulation is not, this is way overboard. I am a small business owner struggling to survive in this market. If the rates change how can you stand by what you quoted on the loan, we could end up losing money on every loan and going out of business. Then we would have clients in escrow who would risk losing there homes on a refinance or purchase. As long as we communicate the cost to the client and they sign and are aware of it, we have never had a problem. We treat our customers with care, integrity, and appreciation. There is no room for error in this business anymore anyway. Every loan is pretty much full doc. Making lending harder than it is not going to help the situation. The industry ahs been forced to pull back and police itself due to lack of investors. We need to let everything takes its course and not over react all the time. Over reaction by the Federal Reserve after 9/11 is what caused a lot of this in the first place.

