

**From:** Gerald Hastings <accptmtg@sbcglobal.net> on 03/28/2008 11:15:03 AM

**Subject:** Regulation Z

Recent actions, and certainly instability in the financial markets, has spurred me to do something I've never done, write a letter voicing my concerns and viewpoint regarding our industry. The issue that is facing the sub-prime market, as well as the financials in general, are a concern for us all, whether you are in the mortgage business as a career, have savings invested in markets, or even wishing to purchase a home.

What we must guard against is an over reaction in regulation. The concern is that by over legislating a number (a large number of small and midsized brokers), will be eliminated from the market.

As a small broker, take pride not in the number of loans that I do, but the quality of service provided and being able to help borrowers that may be in a financial crunch to refinance and lower monthly payments through sub-prime mortgages, or for those who have had past issues, work with them to put them in position to purchase, albeit at a slightly higher rate if sub-prime, and in a couple of years if they pay their bills, they refinance and lock a thirty year fixed and are set. In twelve years of doing both conventional and sub-prime, I have never had a borrower foreclosed upon. Frankly, I have never had one complaint on any matters.

By allowing the legislative pendulum to swing too far in the other direction, small brokers that do provide the service and integrity may exit the market, leaving large banks that may not have the same concern, put forth the extra hours to help borrowers.

As much as the economy and mortgage industry is receiving criticism (and in some cases deserved), it should be understood that much of our "hot" economy has been from mortgage related products, including sub-prime.

Eliminating the smaller broker won't benefit the economy, borrower, or anyone else, It will simply eliminate options and competition.

The simple solution is tightening up underwriting at the investors, NOT eliminating the hard working, ethical brokers through punitive, over reacting legislation.

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