

From: "Christopher E. Morrill" <cmorrill2@yahoo.com> on 03/29/2008 02:35:02 PM

Subject: Regulation Z

To whom it may concern,

I have worked extremely hard for the last three and a half years as a mortgage broker in the states of New Hampshire & Massachusetts and I would like to make the following comments and observations concerning the proposed rule changes that are described in Docket No. R-1305.

First, I have built my mortgage business very simply by serving my clients and helping them to save money. My business is built on referrals from satisfied clients and my top priority is always to serve my clients and help them save money. My clients will typically pay more money if they are forced to work with the local and national direct lending alternatives whom typically have higher rates and fees than I offer.. Meanwhile, the new regulations are destined to put the "little guy" out of business even though the little guy in my area is the competitive element that is keeping pricing down and reasonable for the client...

I completely support the consumer protection goals of the Federal Reserve Board's proposed amendments to Regulation Z, although I respectfully oppose the proposal to restrict compensation for mortgage brokers. This is very plainly anti-competitive and the result will be this will put the "little guys" out of business and will result in our clients having many fewer options and they will end up paying much higher rates and fees in the future.. Mortgage broker compensation, including yield spread premiums, already is disclosed both on the GFE and HUD-1, even though there is no corresponding requirement for lenders to disclose compensation paid to their own sales staff The new proposed requirement will have no actual benefit to the client above and beyond what is already in place and it will actually hurt the client by eliminating competition and therefore result in higher rates and fees..

The service I provide is to work as an intermediary between borrowers and lenders with the goal of serving both parties honestly and with the goal of creating satisfied happy relationships that will refer me to friends, family and associates. My focus is to honestly help clients that will refer me as apposed to being a predator that focuses on getting the highest fee possible, which is how mortgage brokers are being portrayed today. Predatorial mortgage brokers are self-limiting and will not stay in business long in my area as a result of not getting referrals, which is the life blood of this business.

I am happy to continue to make disclosures that encourage prospective borrowers to shop and compare. In fact, a major part of the service I provide includes educating the client on how to accurately compare using tools that are already available including the GFE form etc. Penalizing mortgage brokers by making them disclose information and use special forms other lenders do not need to use will ultimately put mortgage brokers out of business and will hurt the clients we are looking to serve and protect. All lenders should be treated equally and should be using the same forms and disclosing the same information and to do anything else will be discriminatory,

anti-competitive and will ultimately confuse and hurt the client..

On a different note, yield spread premiums are typically portrayed as being evil when in fact I work extremely hard to help my clients save money which includes obsessing about how to minimize the clients rate and fees through minimizing my compensation again all in order to motivate my clients to refer me though having a great experience. I also do not think it is unfair to get paid for the hard work I do and there are tools in place that allow a customer to compare the rate and the fees that are being charged in order for a customer to shop and compare. Similar fees are present in any mortgage origination transaction regardless of the distribution channel or if a broker is involved

In summary, I hope the Board of Governors of the Federal Reserve will consider alternatives to the proposed regulations which would protect consumers in their dealings with all mortgage originators and encourage competition on price, fees and service. Discriminating against mortgage brokers will result in many fewer options for the general public and as a consequence they will pay much higher rates and fees in the future. The real source of the mortgage industry problems today relates to poorly thought out mortgage programs that were being pushed (100% lending in risky situations, ARM's with huge built in adjustments, minimal credit score requirements, negatively amortizing loans, etc). In either case, as a mortgage broker I work very hard to follow all of the rules completely and to serve my clients so they enthusiastically refer me in the future. I am sure there have been some bad apples in this industry in the past, as there are in any industry, although I really do not think this has been or is a large part of the current problem. The solution to the current problems will come from creating reasonable loan programs with reasonable regulations that are uniformly applied and enforced on all of the lending distribution channels so the general public can become educated on how to obtain financing in a safe and competitive fashion.

Lastly, I appreciate the opportunity to express my opinion here and I very much hope the new rules that are coming will not push me out of a business I have worked very hard to create and that I love all of which has been based on helping people realize their dreams and save money.

Christopher E. Morrill
All Star Mortgage, LLC
603-630-2553 Cell
814-253-6822 Fax
[*cmorrill2@yahoo.com*](mailto:cmorrill2@yahoo.com)