

From: "Chuck Walden" <cwalden@signaturelendinggroup.net> on 04/01/2008 08:45:03 AM

Subject: Regulation Z

This email is in response to the Proposed Rule Amending regulation Z. These are comments you should consider.

- My name is Chuck Walden, and I am the owner of a small mortgage brokerage company located in Dacula, GA. I currently have 5 full time loan originators. I support the consumer protection goals of the Federal Reserve Board's proposed amendments to Regulation Z, but respectfully oppose the proposal to restrict compensation for mortgage brokers. Mortgage Brokers provide a service to borrowers that cannot be replaced. We are the intermediary between the borrower and the lender.
- Consumers are largely unable to distinguish between a broker and a lender due to similar names, signage, and advertising. The proposed disclosures must be used by both lenders and brokers or no one at all. Brokers already disclose the Yield Spread Premium on the HUD and lenders do not.
- The Yield Spread Premium is used to offset many costs associated with the loan transaction which include credit and GSE (Fannie and Freddie) fees. Without Yield Spread, the borrower will have to pay an origination fee in order to cover those costs. Many times no origination fee is charged which saves the borrower in out of pocket costs. These days, that is very important.
- Requiring only brokers to disclose the yield spread premium is unfair. If that number is to be disclosed then everyone should disclose it. I will tell you that I have never lost a loan to a bank. The reason is that they charge so much for their loans. Higher rates and higher closing costs will do nothing but hurt the consumer.
- I would like to suggest that the Fed consider alternatives to the proposed regulation which would protect consumers in their dealings with all mortgage originators, and encourage competition on price and service
- Thank you to the Board of Governors of the Federal Reserve for considering the comments that I have presented.

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