

From: "Connie Rolen" <Connie@countryhomefinancial.com> on 04/01/2008 11:45:04 AM

Subject: Regulation Z

I have worked for Country Home Loans, dba Country Home Financial in Woodward, Oklahoma for the past 7 years. I support the consumer protection goals of the Federal Reserve Board's proposed amendments to Reg Z, but respectfully oppose the proposal to restrict compensation for mortgage brokers.

The service that our company provides as serving both the buyer and the lender is definitely a value in their real estate transaction; however, we represent neither.

We, as mortgage brokers, must compete with direct lenders and the distinction between brokers and lenders have blurred in recent years, as lenders themselves typically package and resell loans they originate. You may ask yourselves, was this part of the problem? If they were obligated to service the loans they originate, would it have kept the losses down?

As mortgage brokers, we are getting the blunt of the controversy going on in the mortgage world right now. Who made the guidelines? Did Fannie and Freddie open up a can of worms when they lowered the guidelines for a buyer down to a 530 credit score? Mortgage Brokers do not make the guidelines, Fannie, Freddie and of course the Lender sets those guidelines. The rest of the world has to abide by them to get a loan approved.

I realize there are bad apples in every bushel, but I am a very honest person. We are audited by DOCC (Department of Consumer Credit) and have received excellent ratings every year. Our company strives to make honest, ethical loans to every person, without discrimination.

The Yield Spread Premium that we receive is much more than just compensation, and how they are used to pay certain costs and facilitate the loan transaction. In the real world the mortgage broker is required to disclose YSP, but not other originators, is this fair? This enables competitors to steer consumers away from brokers, even if brokers offer more favorable loans. Just today I had a customer shopping for an interest rate, he said my rate was .50% lower than the banks. And by the way, my company does not charge origination or discount fees.

It is impossible to give a reasonable precise dollar estimate of fees a broker will charge in a transaction even before an application is submitted because the broker does not yet know the prospective borrower's financial status, transaction details, type of product sought, or amount of loan, all of which may vary as the transaction progresses. However, we do keep the borrower advised and updated with new RESPA at every change.

We would please request 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.

Our company as I stated does not charge origination fees, discount points, we only charge a \$395.00 processing fee and make an average of 2% YSP. Our total compensation ends up being less than one half of the real estate broker's commission fees. You can see we are not getting rich, we are just trying to give a good honest loan to well deserving people to have their dream come true; being a homeowner. If you take away the YSP, you take away my job.

I work in a small town in NW Oklahoma, where I would not be able to continue in the line of work that I have been in for over 30 years. You would close down many jobs and eliminate the consumers from seeking a competitive market. By people losing jobs, you would put Oklahoma further into a recession. Please do not do that. Make it fair, make everyone disclose their compensation.

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