**From:** "Dan Flavin" <rdflavin@1atmc.com> on 04/01/2008 12:00:03 PM

**Subject:** Regulation Z

Hello - I'd like to address your proposed rule changes.

-A new category of "higher-cost" loans, which will eliminate all stated and no-doc loans. Americans can legitimately write off expenses that reduce their earnings but have enough liquidity to afford their bills (specifically their mortgage).

-New APR triggers of 3% (1st mortgages) and 5% (subordinate mortgages) above the 10-year U.S. Treasury, causing nearly every mortgage to be classified as a "higher cost" loan. As such, the provisions of the Fed Rule will make financing nearly impossible.

-Requiring all Mortgage Brokers to disclose, before application, what your mortgage brokerage fee (front end AND back end fees) will be on the loan and this cannot change. *We are required to have documents signed within 3 days of taking an application. 95% of the time, we will not know what the back-end fees will be. Think about a purchase. You approve a customer for a purchase price range. But you can't lock a rate in because you don't know when the loan will settle, you don't know the purchase price, etc. This also puts us at a direct disadvantage with lenders because they do not have to disclose how much they will make when they sell the loan on the secondary market.

-Originators must determine that the borrower has the ability to repay the mortgage for at least 7 years. This certainly has merit, but often, I help clients who will only be in a home for 1 or 3 or 5 years. What if a client is going to retire in 5 years and then downsize? Should they not qualify today for a loan they won't want or need in 7 years.

I encourage you require loan officers be trained and pass tests (and please make sure ALL loan officers, not just the one's working for brokerages need to take the tests).

We should allow people with sub par credit to have access to mortgages. If they're "high-cost" we should have to educate the client and create a game plan to get them out the mortgages in a short period of time. But every mortgage shouldn't be categorized this way.

There is no need to further regulate "back-end" fees. We are already limited by section 32 so we can't overcharge borrowers. We already have to disclose that we receive yield spread premiums and how this affects the client's interest rate. And because of these disclosures we are ALREADY at a competitive disadvantage with mortgage lenders because they don't have to disclose any secondary marketing activities.

You may contact me anytime if you have any questions.

Thank you for your consideration.

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