From: MIKEBILES@aol.com on 04/01/2008 12:30:04 PM

Subject: Regulation Z

To whom it may concern:

I am writing regarding the new proposed rule changes regulating the mortgage broker industry. As a broker in Texas, Wyoming and Florida for nearly 10 years and a licensed real estate broker in both Texas and California since 1989, I've seen a lot of good and bad legislation regarding these industries. The public protection issues being addressed may be of some help to protect customers, but I doubt it. It seems somewhat clear to me that this effort is partially to protect customers and partially a way to further destroy the mortgage broker industry. For years, retail banking has wanted to "legislate" brokers out of the game by making them comply with fee disclosure law that they don't have to comply with, giving them an unfair advantage, thus eliminating their competition, which ultimately hurts the public, the customer who pays too much for their loan.

The new provisions that require brokers to disclose their fee or yield spread premium makes no sense as a means to protect the public. It appears obvious to me that it is another way to try and hurt the small mortgage broker by forcing him to divulge his income. Do you have to disclose your income every time you meet with the public?. As a good salesman I could sell around it, I could say, "I am going to disclose to you what our company will make, but the banks will not, they will hide what they make." I think this provision is redundant. We already disclose our yield spread in our Good Faith Estimates and on the HUD 1, this is law that make the industry just more heavy will needless paperwork.

In addition, I think making regulation where no stated income loans are allowed is going to put the final nail in the coffin on the American economy and housing industry. Probably 50-60% of my borrowers have qualified for homes with stated income, as high credit score, self-employed borrowers who manage their money well, they are who fuel the industry. In my ten years in the business, I don't know of one of my customers who has defaulted. It's not the stated loan program that is the problem, it's works very well when properly executed and underwritten. These loans should be underwritten and priced based on their risk factors, not done away with entirely. This is "throwing the baby out with the bath water" legislation. Do it and watch the economy go into a depression. Knock out the qualified, self employed borrower and knock out a high percentage of eligible home buyers and watch the industry tank because there aren't enough people to buy all the homes. I've bought and sold over 15 properties in my lifetime on stated income loans, I have not defaulted or even been late on one single payment. Remove this loan and I won't be able to refinance or buy another, and their are millions just like me out there.

If the wholesale lenders/banks would have followed their own underwriting guidelines more strictly they wouldn't have allowed a lot of bad stated loans get approved. They were greedy and it backfired as it always does.

Thank you for considering my comments and please investigate the deep ramifications of these new proposed rules before more irreparable damage gets done.

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