

From: "david morgan" <dmorgan@firstlegacyllc.com> on 04/01/2008 12:30:09 PM

Subject: Regulation Z

To Whom It May Concern:

My name is David Morgan and I am the owner of a small mortgage company (broker) in Oakland Township, Michigan.

I am writing with concerns on the upcoming Proposed Rule Amending Regulation Z (Truth in Lending and HOEPA). As a broker I am in favor of the consumer protection goals of the proposed amendments to regulation z, but respectfully oppose the proposal to restrict compensation for mortgage brokers. Mortgage brokers provide an extremely valuable service. I have countless stories of clients that are not able to obtain mortgage financing from their local bank or credit union and we are able to help the borrower locate a bank that will provide mortgage financing. On many other occasions we are able to provide the borrower with a lower interest rate, lower cost and better loan program than their local bank or credit union. As a broker we act as an intermediary between the borrowers and lenders so we are able to service both parties in the transaction.

On a daily basis my company has to compete against direct lenders, credit unions and other mortgage companies. With all the different changes in the industry, many consumers are unable to distinguish between the brokers and lenders. All originators are using similar advertisement, marketing campaigns and signage to gain the consumers business. By only limiting new disclosures to just mortgage brokers I do not think you will be providing the correct solution and it makes for an unfair advantage for bigger originators and lenders. I have personally worked for a big bank in the past and one of the selling points that you are taught is to mention the fact of yield spread. Brokers currently have to disclose this information on the good faith estimate and the HUD-1, while the lenders do not. So in turn lenders will try to point this out when trying to get a clients business.

Any new disclosures or regulations should include all mortgage loan originators, no matter who they are employed by. I hope that you will take my comments and concerns into consideration. Thank you

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