

From: "Joyce Melbourne" <jmelbourne@amerifundmtg.com> on 04/01/2008 05:15:16 PM

Subject: Regulation Z

To:

Re: Proposed changes to Regulation Z

Dear sirs,

My name is Joyce Melbourne. I am the President and CEO of a Mortgage Brokerage firm with offices in Crofton Maryland and Chambersburg Pennsylvania. We have been in operation since 1993 and are not newcomers to the mortgage business. We have a spotless record with FHA, VA, Fannie Mae and Freddie Mac. We have originated as many as 1200 loans per year for borrowers enabling them to reach the American Dream that they may not have reached without us. Most of our clients are first time homebuyers. Often we have to guide and groom them for months in the preparation of purchasing their first home. We educate them through homebuyer seminars and one on one counseling. We structure loans utilizing yield spread premiums which can be used to pay closing costs or our fees when the borrowers would otherwise not have enough cash to pay these charges. We educate realtors on mortgage programs that might enable someone to buy a home that the realtor was unaware existed. We receive thank you letters every week from people who are so happy that we were able to show them the way to have a home of their own. Most of our business is referrals from other satisfied borrowers. We have financed homes for entire families and many times for their children and grandchildren. These folks would gladly defend our efforts to get them the best rates and programs for their individual situations. I would also like you to know that we run a clean reputable business and we have never once been asked to buy back a loan from an investor for fraud, misrepresentation or dishonesty. Our record with FHA & VA foreclosures is far below the norm because we take the time to make sure that our borrowers can afford the homes they are buying. That is why we have remained in business for 15 years, because we do the right thing for our borrowers. We do not do high cost loans, never have, never will.

Although I support your efforts to protect the consumers and have always abided strictly to the letter of the law as it relates to regulation Z, I think it is a huge mistake to restrict compensation to mortgage brokers. When I started in this business in 1993, 10% of the business was transacted by brokers and 90% was transacted by lenders. By 2001 roles had reversed because brokers were able to produce better rates than lenders could offer. Largely this was due to lenders being able to do business without having brick and mortar locations all over the country, thus being able to offer better rates if a broker originated the loans for them. The lenders won and the borrowers won as a result of the role of the mortgage broker. The market thrived. Brokers all over the country thrived too, creating jobs for originators, underwriters, processors, closers and office personnel. Our company supported about 50 families whose income came from being employees of our company. It is just plain unfair to brokers to treat them any differently than lenders as it pertains to disclosure. IN FACT MOST LENDERS HAVE THEIR LOANS SOLD AT THE TIME OF CLOSING TO OTHER LENDERS AND RECEIVE COMPENSATION FOR IT THAT IS NOT DISCLOSED TO THE BORROWERS BECAUSE IT IS CONSIDERED SECONDARY MARKETING. THEY OWN THE LOAN FOR 1 TO 5 DAYS BEFORE SELLING IT AND DO NOT HAVE TO DISCLOSE HOW MUCH THEY MAKE ON IT. The playing field must be leveled to give the same

treatment to brokers as lenders in the disclosure area.

Lastly, I would like to point out that it is totally impossible to disclose an exact dollar amount of fees before the natural progression of the loan takes place due to unknown factors such as credit scores, type of product that the borrower best qualifies for, loan size, loan to value ratio, seller contribution, daily changing underwriting and mortgage insurance guidelines, declining markets and foremostly the ever changing rates. We sometimes get price changes as many as 5 times a day, usually for the worse. How could we possibly guaranty what we have no control over? We could find ourselves paying money at settlement instead of earning anything.

I ask you to reconsider this rule. Consider some options that provide fair competition while providing the best service, rates and products to consumers. AFTER ALL, IT IS THE BORROWER THAT WE ARE TRYING TO PROTECT, DON'T RUSH TO PASS LEGISLATION THAT WILL NOT BE IN THE BORROWERS BEST INTEREST.

Thank you for listening to the point of view of a 15 year veteran of the mortgage brokerage industry, Congress is on the right track to rid the industry of some brokers and lenders who have given us all a bad rap. Stricter licensing and education requirements and restriction of high cost loans and no income verification loans where borrowers cannot possibly make the payments is the way to protect consumers without limiting their choices.

Respectfully,

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