

From: "Robin Powell" <robin@acfpartners.com> on 04/01/2008 04:35:04 PM

Subject: Regulation Z

I am a mortgage broker in San Francisco, California. I have been in this job for twelve years. I am a member of the California Association of Mortgage Brokers and the National Association of Mortgage Brokers. I do support your efforts to improve consumer protection in the financial markets. However, the proposed rule amending Regulation Z concerns me very much and I would like to share with you what my reasons for objecting to it are.

I generally begin communicating with my clients by email or phone, or meet with them long before I have any idea what kind of loan they will want, how much it will be for, or, for that matter, whether they will be able to qualify for any loan at all. Once I do have all the information, I take pride in giving my clients a very accurate Good Faith Estimate at the time of application. As the transaction progresses, I re-disclose every time there is a change, and there is almost always a change for a variety of reasons. If I have to disclose what rate and how much I will make at the beginning of the transaction, I will no longer be motivated to watch rates and provide opportunities to my client to get a rate or program better than was available at the beginning of the transaction. In addition, mortgage brokers provide the most competition to direct lenders. Without us, the banks would have less motivation to offer clients the best rates they can. If mortgage brokers have to disclose but banks don't, banks will have a big advantage. I believe that a great many of the proposals being offered at this time of credit and liquidity crisis are from the banks with the ulterior motive of scapegoating the mortgage brokers and decreasing our ability to compete with them. If disclosing is important, it should be important for every mortgage originator, not just the banks' competition.

I think there are other ways to protect the consumer and I do think they need protection. The math I do every day is about at the eighth grade level. I am forever amazed at how few of my clients can understand the math of this process. This is especially surprising as I work in a high cost environment with generally college educated clients. Therefore, I would suggest that the amount of total net points be capped. This would be easily monitored by the lenders and escrow companies. Anything over a net of defined points could automatically be credited to the consumer. Unfortunately, that method would not work for banks since they don't have to disclose how much they make.

I thank you for considering these ideas.

Sincerely,

Robin Gaylord Powell

Certified Mortgage Planner

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