

From: "John Leuck" <jleuck@communityhome.com> on 04/02/2008 03:00:04 PM

Subject: Regulation Z

My name is John Leuck and I am the President of Community Home Mortgage Corporation. I am located in Charleston, SC and have an additional office in Anderson, SC. My corporation currently employs 8 people and has employed up to 11 people at times. I am writing to comment about the Proposed Rule Amending Regulation Z (Truth in Lending and HOEPA). As a mortgage brokerage operation, we have become accustomed to having to disclose every dollar we make on a transaction. Meanwhile, any lender who funds their own transactions (banks and mortgage bankers), do not have to disclose Yield Spread Premiums or gains on the sale of the mortgages they originate. This in itself is unfair but as stated earlier we have learned to live with an uneven playing field. I have had potential customers taking a mortgage loan from a bank versus my company because we disclosed the potential Yield Spread Premium and a competing bank did not. The customer actually took a loan at a higher rate with very similar costs because they could not understand that they were not paying the Yield Spread Premium. The disclosure of this form of compensation directly lead the consumer to accept a loan which was more costly up front and the bank eventually sold the loan while receiving a handsome Yield Spread Premium/Gain on Sale. The proposed revision will add another form of discrimination to all Mortgage Brokers. It is also impractical as no lender can accurately disclose costs and rate with a potential borrower without a complete loan application and credit report. The requirement of a cost disclosure prior to an application will further impede the ability of Mortgage Brokers to make a living while adding nothing in the form to consumer protection. I've been business for 14 years and truly believe in protecting my customers and disclosing properly the terms of all proposed mortgages.

Thousand of small mortgage origination businesses have gone out of business in the past several years because of the dramatic changes in the lending environment. While I believe the Sub Prime meltdown was a disaster, I do not believe further restrictions on Mortgage Brokers will help. It will simply play right into the hands of large banks who want to rule the mortgage business. Mortgage Brokers make for a much more competitive industry which lowers the cost to consumers. The rule revision as proposed will put more Brokers out of business and will not serve the intent of the helping the consumer. Thank you for considering my comments. Regards, John F. Leuck;
President; Community Home Mortgage Corporation jleuck@communityhome.com