



MERIT
Mortgage Services, Inc.

April 2, 2008

Board of Governors of the Federal Reserve System

RE: Proposed Rule Amending Regulation Z
Docket No. R-1305

Dear Board Members:

My name is Patricia McConville and I am the broker for Merit Mortgage Services, Inc. in Tifton, Georgia.

I understand your goals of protection for consumers but your proposed amendments will place undue burdens on mortgage brokers. Specifically; by not including *all* mortgage originators in the new rules will eliminate mortgage brokers from the process of originating home loans.

If this happens the consumer will not have the benefit of competitive mortgage service. This includes but is not limited to the expeditious processing of their home purchase as well as acting as an intermediary between borrowers and lenders while serving both parties.

Mortgage brokers now disclose all income to the borrower at the closing on the HUD-1 Settlement Statement. If brokers are required to estimate compensation before we even know anything about the customer we will not be able to compete as there are many factors in pricing a loan; including the customer's credit, ability to provide down payment and loan product that best suits the customer's needs.

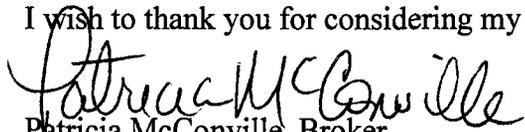
Consumers are now mostly unable to tell the difference between a broker and lenders because of similar names, use of signage and rely on similar advertising. For this reason, and others, I believe all originators must be under the same guidelines in order to protect the consumer and offer a system that allows a consumer to truly compare loan offerings from various lenders and brokers.

The uses of yield spread premiums are not just to compensate the broker but also cover expenses that facilitate the loan transaction.

I encourage you to consider alternatives to the proposed regulation that will protect consumers in their dealings will *all* mortgage originators, which in turn will encourage competition on price and service. These alternatives may be achieved by consulting with national mortgage associations including broker and lenders. I encourage this happening

prior to adopting rule changes to curtail possible repercussions felt by many consumers that may never realize their dream of home ownership.

I wish to thank you for considering my comments in this matter.

A handwritten signature in cursive script that reads "Patricia McConville". The signature is written in black ink and is positioned above the typed name.

Patricia McConville, Broker

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