

From: "Jay Kiel" <jkiel@gorhamsavingsbank.com> on 04/03/2008 10:10:03 AM

Subject: Regulation Z

I am writing as an individual, not an employee of a bank. Although I have originated mortgages in a bank setting, my experience with a mortgage broker was not too different than many others, wherein, the amount of points/fees paid to the broker almost doubled from the time I applied for the loan until the time I closed.

Having originated mortgages through a bank, and knowing how particular we were when disclosing fees and costs, it always seemed unfair from a competition standpoint, as well as unfair from a consumer standpoint, for the brokers to take business from us by under quoting costs, knowing full well the costs would be higher when the customer got to the closing.

I appreciate their business model, and they do serve a purpose for borrowers that need extra help. However, they shouldn't be allowed to victimize those that can least afford it.

I agree wholeheartedly that all expenses should be disclosed up front. No yield spread premiums should be paid. If a customer chooses to pay a broker to obtain a loan, they should know upfront what it's going to cost them.

The same rules should apply to automobile dealers financing as well. They get pay backs from lenders if they sell the buyer a higher rate, even if the buyer qualifies for a lower rate. I hope this rule addresses that inconsistency as well.

Realtors can't change their commission at the closing table. A loan broker shouldn't either.

Sincerely,

Jay Kiel
Senior Business Officer/VP
Gorham Savings Bank
West Falmouth
office # 222-1461
cell # 653-8245