

**From:** "James Heath" <JHeath@heathfinancial.com> on 04/02/2008 06:20:02 PM

**Subject:** Regulation Z

As a past president of the Nevada Association of Mortgage Brokers, I feel that it is necessary for me to comment on the proposed rule amending regulation Z

I like most of my fellow Brokers believes strongly in consumer protection and my corporation and myself personally in my 18 years as a mortgage Broker and over 20 years in Banking, strive to obtain the best loan at the lowest interest rate and fees for our borrowers.

I do however strongly object to the exclusion of Mortgage Bankers and other lenders not being held to the same rules as the Mortgage Broker who over the years has acted as intermediaries between the Mortgage Banker and the Borrower. I believe that we in the mortgage broker community have helped reduce costs to both the Borrower and the Banking community. We compete every single day with the Mortgage Banks and large lenders who are not required to disclose their fees and costs and in spite of this, Brokers have closed an average of 60-70% of all real estate loans for the past 10 years.

The average consumer does not differentiate between the Broker and Banker many of which have similar names and signage. Yet under the proposed changes and the current law, we have an uneven playing field. Most of the States now require licensing and many hours of continuing education in order to become a mortgage broker or even a loan agent. This is not true of the Mortgage Bankers or exempt lenders. They can advise a borrower even with no prior experience. why is this so'

In closing, I also wish to note the proposed requirement that the Mortgage Broker disclose all fees and compensation to be received on a loan for which we have not even taken an application and know nothing of the borrower or for that matter what type of loan would be in the borrowers best interest. I do not object to disclosing yield spread premiums if the Exempt lender is also required to do so. However, until the loan type, interest rate, borrowers credit score and history are known, we are only guessing at the costs which is not fair to the borrower or the broker.

I strongly suggest that alternatives to the proposed changes in regulation Z be considered which would better protect the consumer in their dealing with All Mortgage Originators in all of the States. A more level playing field with all Loan Originators required to follow the same rules would go far to lower the overall costs to the consumer by encouraging more competition based on price and service.

Thank you for considering my comments.

Jim Heath, President & CEO  
Heath Financial Services, Inc.  
3100 Mill Street, Suite 105  
Reno, Nevada 89502

165 El Bosque  
San Jose, California. 95134