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Subject: Regulation Z

My name is Tom Laakmann, Branch Manager with 1st Metropolitan Mortgage located in Wilmington, NC

I support the consumer protection goals of the Federal Reserve Board's amendments to Regulation Z, but respectfully oppose the proposal to restrict compensation for mortgage brokers.

Mortgage brokers provide an invaluable service to seasoned homeowners and prospective homeowners alike. We provide a greater choice of products and in my experience with customers, better service. Mortgage and financial products are getting more and more complicated than ever and the consumer needs a licensed 3rd party to help make sense of it all. Not only do we help explain their choices and ensure the whole transaction closes smoothly; the entire transaction cost, including our fee, ends up being the same or less than going through a retail Bank.

I have been in the mortgage industry since 2001 and have seen the required disclosures increase almost every year. What I find absurd is that mortgage brokers are the only ones required to disclose yield spread premiums (YSP). I have countless associates that also work in this industry but because the Company they work for is a Mortgage Banker (which is almost identical to a Mortgage Broker, except the company utilizes a wholesale line of credit to initially fund the loan and then sell it to the Lender immediately after closing) doesn't have nearly the same amount of required disclosures including YSP. National Retail Banks included have very limited disclosures and pose a far greater risk to customers because of the lack thereof.

However, it is unrealistic to quote or estimate a precise dollar amount a mortgage broker will charge a customer on a transaction before an application is submitted. There are too many variables on each transaction ranging from the customer's credit range, personal finances, type of loan, loan amount etc... Plus, there are times the customer will change the terms sought as the transaction progresses. It would be like asking a home builder to give a price or estimate on a house without knowing how big or what materials would be used.

If I could suggest, the most important change this whole industry needs (including Banks and Lenders) is for all originators to be better trained and for stricter requirements to be in place to enter this field. But for the good of consumers, the playing field between Banks and Brokers needs to be leveled, not distorted even more.

I thank the Board of Governors of the Federal Reserve for this opportunity and for considering my comments.

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