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Subject: Regulation Z

The loose lending standards, outrageous 100% loans and poorly informed clients that characterized the 2002-2006 boom period have clearly put the housing / mortgage markets into an economic decline not seen since the great depression. Any effort by the Fed to prevent a reoccurrence of such a disaster is to be applauded.

The FED Rules Proposal is an obvious response which will help but which also runs the risk of precluding a measured market based recovery since in actuality it will make loans more difficult, more time consuming and more expensive to obtain. The housing engine which drives so much of our economy will sputter.

Eliminating stated / no doc loans due to their being classified as "High Cost" will have a depressing effect on self employed clients obtaining a mortgage. Small business entrepreneurs are the life blood of the jobs creation engine and now they will be marginalized in the real estate market. Using an APR trigger to cause loans to be classified as "High Cost" can only further depress the market by restricting mortgages to a select few. Directing an Originator to determine that the borrower has the ability to pay for 7 years sounds good but can only be accurate up to a point with all sorts of caveats; if he keeps his job, if he has no medical problems, if he does not get divorced, etc., etc, . Meeting this rule would be on a best effort basis only.

Finally, the requirement that Mortgage Brokers, disclose their fees prior to taking an application puts an entire industry at a major competitive disadvantage and in jeopardy of elimination. Why should lenders be exempt from this requirement? How can a Broker be expected to know what work must be expended on a file before having any information? A loan program is much more than the best fixed rate mortgage. Considerable effort goes into designing the best loan program to meet the clients needs. A client can maximize his options by working with a Broker who has arrangements with many lenders and therefore many diverse programs, but given this type of disclosure requirement a bank will always win. After all, they won't have to disclose fees to the client who is shopping.

Thank you.

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