From: "Dennis Brophy" <dbrophy@bbcfinancial.com> on 04/08/2008 03:50:03 PM

Subject: Regulation Z

Dear sirs,

I urge you not to pass the proposed rule in so much as it will effectively eliminate the availability of home loan to millions of Americans and--for all practical purposes--put independent mortgage brokers out of business.

Some of the changes to the mortgage industry as a result of this rule just don't make sense in this credit environment:

- Stated income loans and no doc loans are essential given the loss of jobs and the increase in self-employed individuals who just want to survive. Tightening the qualifications for those loan makes more sense and rewards those who can manage their finances, which is how those products were originally intended. It was the lenders who brought trouble down on themselves by offering loose qualifying quidelines. All the broker can do is offer the product. We didn't demand it of the banks.

- Establishing new "trigger rates" at 3% above the 10 year treasury will also have the effect of taking millions of Americans out of the loan market and home ownership. the banks have already taken the opportunity to increase their spread betweeen the 10yr. bond rate and the 30 yr. fixed loan to approximately 2.5 %. At one time, the spread was roughly 1%. And given FNMA/FHLMC tiered pricing, under the new rule a person with a less than 640 credit score today could not get a loan. The tiered pricing system is more than adequate to adjust for risk and reward the banks and investors with a higher return for that risk.

- Disclosing mortgage broker fees before application that cannot change doesn't make much sense either. Suppose our standard fee is 1% and that is disclosed but we want to lower the fee are we allowed to do so? Asking for an exact ysp before application is all but impossible unless the loan is locked, and we need a property address to do that. Many times we run a FNMA DO to get an approval with just a zip code. This allows the customer to buy the home with the confidence that they have a loan. This is equally important to the seller. You will effectively take this tool out of play.

- Loan originators are in no position to determine if a borrower can make payments 7 years into the future any more than we can predict the customer--or us for that matter--will be alive 7 years from now. The future ability to pay analysis is inherent in the underwriting system already--IE, the weighing of job, credit and fiancial managment history that is available in the loan file. Is our prognostication somehow better than that which the lender has determined to be adequate? If so, why bother with an underwrite at all?

The mortgage system we have has worked quite well for many years. The market will make the neccesary adjustments without more rule changes from the Fedreal Reserve.

Sincerely,

Dennis Brophy
Mortgage Broker