

From: "Ed Standifer" <estandifer@franklinmtgsolutions.com> on 04/07/2008 10:35:04 AM

Subject: Regulation Z

This email is in regards to the docket referenced in the subject line above. While supporting any efforts to make consumers more informed and aware of loan details, I am greatly opposed to any regulations that makes the playing field any more unfair than it already is. We as brokers already disclose the same details several times more than other "originators". We are already disclosing yield spread in the form of a good faith estimate and it shows up clearly on the HUD-1 statement. Just because other originators are under a banks charters, they do not disclose this information anywhere including the HUD-1 statement.

We work with real estate agents with buyers and sellers and offer the same service to all parties while representing neither. We do many services for individuals looking for purchases and refines that we do free of charge to them. We help individuals who have no idea as to how or why their credit is bad and how to fix it. We do this as a service to help these borrowers so that they may be able to buy or refinance at a later date hopefully under better rates and terms.

We as mortgage brokers already compete with direct lenders for the business of consumers. This is a good competition that makes sure that the customers are getting competitive deals. You take away brokers and you take away that competition and along with that you do nothing but harm consumers and their choices. Direct lenders do nothing but package and resell the loans that we originate. This has become a blurred distinction between brokers and lenders.

We are not complaining about disclosing anything to anyone. This is a simple matter of us as brokers just wanting any and all disclosures to apply to all who are "originating" loans for consumers. The playing field should be level for all that are playing. The field is already tilted against us as brokers and this new "legislation" will do nothing but put us in a less competitive position than we already are.

We as brokers use the yield spread premium not just as a means for compensation, but also as a very useful tool to pay other certain costs that the borrower may not be able to bring to the table out of their personal bank accounts. If these disclosures are placed upon us as opposed to all "originators", it will allow them to steer borrowers away even if we are offering a better loan. It will be a fee that other originators will simply tell the borrowers that we are charging and they are not. That could not be any more unfair.

To put the burden on us to give a precise dollar amount of fees prior to an application being submitted is comparable to asking your mechanic how much it will cost to fix your car before he even looks at it and tells you what is wrong with it. There are so many variables that come in to play on every individual and unique file. Things like the borrower's financial status, transaction details, type of product , and loan amount are all items that vary as the loan progresses. These details change many times throughout the course of the loan.

I would hope that the Fed would consider alternative and more fair regulations for all originators. We should be informing consumers as much as we can, but it should not be put on just brokers to do the disclosing. Banks and bank affiliates should not be exempt to disclosing details of the loan to consumers. Inevitably, they do the same type of transactions that brokers do. Just because they have a different

title should not make them any less responsible for disclosing the complete details of the transaction.

I would like to thank the Board of Governors of the Federal Reserve for considering the comments and suggestions.

Thanks,

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