From: "Joel Maloney" <jmaloney@mcadamsfinancial.com> on 04/15/2008 09:12:05 AM

Subject: Regulation Z

Sirs,

I am writing to ask you to reconsider the provisions contained in R-1305 in several respects. I am a a 25 year veteran of Wholesale Mortgage Brokering and can speak from a position of greater experience than most. I have never originated a "Sub Prime" mortgage, but unfortunately, **the effect of your current proposed changes to the REG Z, in my opinion, will adversely affect Prime Mortgages going forward more than it will right the wrongs of the past ten years**. I fully support full disclosure and I respect the fact that you are attempting to address the issues.

My first point is this: If FEE Disclosures are going to be mandated in total dollar terms for Mortgage Brokers, I ask that you extend this to Retail Banking Loans as well. Making Independent Mortgage Brokers bear the brunt of the current mortgage melt-down is not fair and it is not smart. Retail lenders at such institutions as Wells Fargo, Countrywide, Washington Mutual, Bank of America (to name a few) have been just as responsible in my opinion as independent Mortgage Brokers.

My second point is that many borrowers benefit from the alternative income documentation approach – especially in High Priced Real Estate areas. It is a known fact that many homeowners in Southern California, New York, Hawaii, and other High Land Value/High Real Estate Value areas, derive monthly income from unorthodox sources such as Inheritance, Pensions, Passive Rental and Capital Gains, and Self-Employment. Alt-A No Income, No Ratio, No Doc loans were meant to address these types of borrowers. Perhaps you don't understand how a conventional underwriter looks at a Full Income qualifier loan? Before blindly limiting the ability to extend the courtesy of EZ Qual loans, you should research how limiting full income qualifying will be to future home owners in High Priced areas. **My suggestion is that you consider a Demographic/Geographic approach to create exclusions for High Priced Real Estate areas.** This would address the core issue: EZ Qual loans were never meant to be used in St. Louis or Boise or Las Vegas!!! They were an extension of Wall St. and Banking greed to secure properties by promissory notes that they could then bundle and sell. By creating a blanket 3% over the prevailing Treasury restriction, you will be hurting more potential borrowers than helping in High Priced areas.

I have no other problems with R-1305 (other than the fact that it really doesn't address the real issues in mortgage lending). I realize that you have a tough job and that this isn't an easy area to get a handle on.

I remain,

Joel A. Maloney
c/o McAdams Financial Svcs.
217 E. Anapamu St.
Santa Barbara, Ca. 93101