

From: "Dowan" <dowan.hall@comcast.net> on 04/03/2008 01:20:04 PM

Subject: Regulation Z

Dear Sirs,

My name is Dowan Hall; I am an independent mortgage broker working in Salt Lake City, Utah. According to the figures that I have seen recently we have over 8,000 licensed brokers working in Utah at the present time. I have worked as a loan officer for over 27 years both as a broker and for major national lenders such as GMAC Mortgage, Norwest and others. Loan Officers in this state are required to be licensed every two years and in order to renew that license they must complete 14 hours of continuing education. That education includes core courses in Law and Ethics.

I support the goals of Regulation Z in protecting consumers but do not support government regulation which discriminates in favor of one economic competitor over another. Mortgage brokers are already required to disclose additional funds earned from a transaction while mortgage bankers are not. My transactions require that I suffer all the risk, that I pay all my own costs but that I alone must disclose the difference between retail and wholesale earnings. The government does not require the independent auto repair shops to disclose the difference between the price they paid for parts and what they charge the consumer. Buyer and seller agree on terms and a contract is formed.

The changes being proposed (to continue the analogy above) would be as though the federal government came to the aid of the national auto makers and required that all independent repair shops reveal any funds derived from their efforts but not the shops associated with national auto makers. Doing such a thing skews the public's perception of what is really going on since it makes it appear that anyone not associated with a national auto maker is a crook. Competition is hurt and the consumer is doubly hurt since the national companies now feel free to gouge consumers even more than before the new regulations.

I would encourage you to take a more balanced approach to regulation. One which strives to protect the consumer from all loan originators without being biased towards lenders. I would suggest to you that encouraging competition is one of the foundations of this country and the public cannot be served by confusion in the marketplace. Hurting mortgage brokers takes away the choice consumers have to shop and compare fairly the costs and advantages that both brokers and lenders offer. Brokers sell their services on a retail basis and buy on a wholesale basis just like most retailers within the economy. We simply offer more alternatives than any single lender has available. I can offer the consumer better terms than my last lender employer and still make enough on the back (wholesale) to cover my costs.

The changes being proposed are also unreasonable since rarely can a lender know how any one transaction is going to end. At initial application we do not know a great many things. What type of loan the borrower wants and can qualify for, amount of the loan and changes in regulations as to down payment, qualifying, etc,. I thank you for taking the time to consider my objections to the proposed changes and would be willing to be reached for further comment if deemed beneficial.

Sincerely,
Dowan D Hall
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