

From: "nanci lewis" <nanci@coastalfinancial.com> on 04/04/2008 03:20:03 PM

Subject: Regulation Z

To Whom it May Concern:

While I am in support of some items to protect consumers, I believe that some of the points of this legislation will hurt borrowers rather than benefit them.

I, as a mortgage broker, have my client's best interest at heart. I have never charged a client a high rate so that I could make a ton of money in rebates. In my opinion, it is never about the transaction itself but more about keeping the client happy to develop a relationship which results in future business and referrals. This cannot be done if the client is not properly taken care of.

I do not understand why the emphasis is on what I make on a transaction rather than the loan and rate the borrower is receiving. If I can offer the same or better rate than another broker AND make a little more money, why does that harm the borrower? Should they not work with me if I make \$100 more than someone else because I found a better lender?

It is incumbent upon the borrowers to check with several lenders in order to protect themselves if they do not trust that their broker is getting them a fair deal. Most of my clients do not shop me because they know I have delivered good loans to them.

The emphasis is now all about my income. Why shouldn't my doctor disclose what he makes? His fees are high and that drives up the cost of my insurance. What about my car mechanic, hair dresser, etc. Should I base my choice for services on what they are earning or their level of service and what they are charging me?

I think the bottom line should be more about clients comparing rates and programs rather than making it all about our fees. They have the right to shop around in order to protect themselves and some of the onus should be placed on them.

The new guidelines state that we will not be able to change our commission once the loan is in process. There are many, many instances where loan programs or loan amounts change. If the borrower has something that was not disclosed up front and shows up later, that can impact the loan. Lenders are cutting appraised values regularly and that will affect the loan amount and hence the commission.

There are times during a transaction when the borrower may decide he wants me to pay his closing costs via rebate. I will not be able to do this for him if it was not discussed up front and he will then have to pay the costs out of pocket. Or I will have to cancel the loan with the original lender in order to start anew with another lender whereupon I have a different figure for the yield spread premium. This would hold up his transaction which could be a huge problem if it's a purchase loan. **It will also create a huge amount of additional work for many lenders as brokers have to switch lenders any time there is a change.**

Lastly, if this is a rule for mortgage brokers, it should be applicable to ALL loan originators, not just brokers. This feels very discriminatory to me.

Thank you for your consideration.

Nanci Lewis

The highest compliment one can receive is the referral of a family member or friend.

Nanci Lewis
Vice President

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