

From: "alpha mortgage" <alphamortgage@montana.net> on 04/09/2008 05:30:03 PM

Subject: Regulation Z

To Whom It May Concern at Board of Governors of the Federal Reserve System:

Regarding Docket No. R-1305

The current number of disclosures borrowers are given are the primary reason that borrowers read little or none of the disclosures, closing statements or even the final loan documents. More documents and disclosures will do more harm than good. Your effort should be concentrated on reducing the numerous documents required and a simplification so that borrowers will read what they are given. Borrowers deserve full disclosure and a full understanding of what they are signing and what they are agreeing too.

1. A proposal which suggests that a broker can pre-determine what his fees for service will be prior to the application, credit report, debt of income analysis and other underwriting items **is not a logical proposal.**

2. It is equally illegal that brokers could explain what the yield spread premium will be when you are not sure what the loan amount will be.

3. Brokers are the only lenders who are currently disclosing how they get paid by the lender. This is generally done as a percentage. Under the current system, brokers already disclose more and are required to do so than other lenders. **Yet, banks, savings & loans, and net branches are not required to disclose their other sources of compensation.** That alone is neither fair nor beneficial to the borrowers. **Almost all lenders/ brokers now sell the majority of their loans** to fannie mae freddie mac. **All disclosures should be required for all lending or brokering sources.** Different rules and different regs only further confuse the borrowers.

4. The government accounting office has clearly stated that brokers are no more responsible for the current credit disruptions in the market than any of the other lending sources. It is the liberal underwriting and excessively high LTV's that are the problem. I would remind you that congress encouraged fannie mae and freddie mac to compete with the private sub prime lenders. This only lead to to the excesses in the underwriting. Brokers only sold the products that lenders offered.

5. Consumers are not better protected when the largest lending institutions lobby regulatory agencies to create market place advantages for themselves at the expense of the borrowing public.

6. I function as both a broker and I lend my own personal funds. I always disclose fully what I am to be paid for my services. This is both required by law and good business. The proposal contained in R-1305 will not better serve the public. They will better serve segments of the lending community and if passed should be referred to as " The pork barrel bank protection act" to reduce consumer choice.

Sincerely,

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