From: Jane Jones <jane.jones@firstatlanticmortgages.com> on 04/08/2008 07:05:04 PM

Subject: Regulation Z

Please consider that the proposed rule amending Reg Z may not be and won't be in the best interest of borrowers or the industry as a whole. Mortgage brokers serve and always have served a vital role in the origination of mortgage loans for the communities they serve and the borrowers. We work with our borrowers over time and most of the time we work with their neighbors, relatives and family members for many years. We work and serve in our neighborhoods where we live, our children attend church and go to school. Most of us feel a calling that we serve our borrowers and help them in a way that large commercial banks would never attempt to.

It is not the mortgage broker community at large that has caused the current mortgage crisis. I do not believe that at all, the greed was Wall Street and the products that offered to be sold. Mortgage brokers do not make those decisions. We make sure our borrowers get the best loan that they qualify for while meeting the guidelines of the loan program we've chosen. I respect the fact that we have laws and rules to protect the consumer from mortgage brokers that take advantage of people - I just totally believe that the vast majority of mortgage brokers try to do the right thing for borrowers and rely on their clients for referrals and future business and rely on their reputation in the community to validate their reputation and stay in business for the long term.
I have been a mortgage broker for 15 years and have never advertised for business. My clients over the years have done that for me. Most of us work this way. Its an important part of the industry and promotes healthy competition and caring for the marketplace and borrowers. I think the proposed rule amending Reg Z put these relationships in jeopardy - restricting choices for consumers and reducing competition and driving the small businesses out of the marketplace will not insure that borrowers are in better hands. I think the opposite is true.

The yeild spread premium is an important tool that enables borrowers to minimize cash to close by using this to pay for and offset other closing cost. This should be the borrowers decision how to structure their own loans. We have very good laws in place now. I don't think its the cost of loans that has put the industry in trouble.... but rather the lenders, with the radically risky guidelines in the past few years, the fact that the 2/28 loans were 2-3% points less than a 30 year fixed rate on sub prime (encouraging consumers to chose the variable rate loans over fixed rate loans) and negligent underwriting practices that has caused these problems. At the grass roots level I can tell you that I've known many underwriters that have been told by their company, very large companies, to ignore diligent underwriting principals to close more loans. I really do not think pricing, cost or additional disclosures will have any effect on the real cause of the credit crisis and implosion of the industry. It won't. This is just a band aid on whats not hurting..... it will not cure the problem. I really don't think so.

Restricting the compensation of mortgage brokers seems will not prevent bad loans to be made by lenders. We serve an important part in the industry. The rates I can offer today are lower than those offered when a borrower goes into Bank of America's branch office and applys for a loan - and we advise and cousel on credit issues, we help them plan for and structure loan programs that will work for them ..... we take the time to help them assemble the documentation req for approval and we honor our rate locks, we close in a timely manner. Not many people can say that from the larger commercial banks. Our services are needed and appreciated and our businesses cost money to run and maintain. Our overhead and expenses are vast.... and our small businesses are important to every community you find mortgage brokers.

As the term, broker implies, we arrange loans between two parties and serve them both, but we do not represent the lender or the borrower, we bring them together with borrower needs and lenders guidelines to offer the loans.

It is also impossible to give an exact quote on fee's before we have completed the necessary applications to know exactly what the borrower qualifies for. Fannie Mae has different levels of loan approvals depending on income, credit , assets and loan request that car vary substantially in pricing and rates. It is totally impossible to be able to qualify the loan at the initial stage of the application...... It cannot happen. Any income document or asset statement of appraisal issue can change the type of loan approval we'll get from Fannie Mae upon submission. Guidelines vary a lot. The amount of the loan is determined by the appraised value and that comes later in the loan application, and this is only one example of the varibles in the process. It won't matter if you're Bank of America, Citigroup, whomever, one cannot make the final determination on loans or loan terms with the initial application.   Hopefully the people who decide on these rules will get the information from a source they can rely on to verify this, because its true.

I appreciate the opportunity to make my statement and to ask very careful consideration of changes that will effect so many lives and so many small businesses and restrict competition and choices from consumers.

Jane Jones
First Atlantic Mortgage
2740 E Oakland Park Blvd
Ft Lauderdale, Fl 33306

Jane Jones
Vice President
www.firstatlanticmortgage.net
First Atlantic Mortgage
954-457-0551
954-829-0962 Cell