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Subject: Regulation Z

My name is James Dillard. I have been in the mortgage industry for 16 years in Florida and Ohio. I am currently located in Tampa and the following are my comments regarding proposed law changes.

- The proposal to restrict compensation is a problem for a number of reasons. The first is that it prevents the borrower from structuring the transaction in a manner that they prefer. By choosing a higher rate they can limit their upfront fees and thereby require less money to bring to the table or lower rate and pay for the services all up front. Also it would force every borrower to be classified the same since they would all have to be charged in the same manner when in fact they have very different characteristics. Some borrowers are harder to get done than others as such more work should require a higher fee. One doesn't build a mansion for the same labor cost as one would be charged to build a 2 bedroom bungalow.
- If the proposed legislation is enacted it should apply to all those in the mortgage industry and not just to brokers since in essence most lenders are now performing the same role as a broker. In the interest of fair business practices they should be also held to the same requirements. As has been reported in the news the lender is often times just as culpable in the negative situations that have arisen over the past few years. Also there is a competitive imbalance by allowing some originators that are part of a bank to not disclose yield or compensation when in reality the deal they offer is the same as a traditional broker. It will end up with the consumer having less choice and fewer choices always hurt the consumer in the end.
- It is also impossible to guarantee that an interest rate and quote will stay the same due to the fluctuating market and the fact that the appraisal affects price and fees greatly. In order to actually guarantee a rate and compensation the consumer would have to have an appraisal done, titlework and underwritten in order to make sure they qualify. This would represent an unreasonable burden on the consumer and would hurt them financially by requiring all of those services to be paid for before they even knew if they would qualify for the loan.

Sincerely,

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