

From: Homesteadk@aol.com on 04/08/2008 04:30:06 PM

Subject: Regulation Z

Board of Governors of the Federal Reserve System
Proposed Rule Amending Regulation Z
(73 Fed. Reg. 1, 672, January 9, 2008)

April 7, 2008

The Federal Reserve has taken on a tremendous task and responsibility of trying to implement consumer protection and new regulations to protect consumers. However, while trying to protect to protect the consumer, your proposed regulation will harm consumers.

Limiting access to the credit market will be harmful.

The borrowing public does need protection but not by strangling the market. Common sense underwriting and stricter guidelines set in place by the free market system will eliminate the problems that have occurred

In North Carolina we have felt the trigger effect of implementing legislation that has not been thought through by the Federal Reserve or the North Carolina Legislature with regards to our law 1817. Huge changes meant to help the consumer only enslave them in higher priced loans driven by Fico Scores.

A credit score of less than 620 will allow a 2.5 basis point increase in price. This means a more expensive loan. Mortgage bankers and Banks profit from this windfall and are not required to disclose this.

This rule impedes competition and creates huge disadvantages for the consumer. You are holding Mortgage Brokers to a higher standard while Banks are allowed to continue preying on the consumer by not disclosing their profits. Banks use FICO scores to chare the consumer more money

An issue of equality is raised by this shot gun legislation.

The consumer who owns their own business will not be able to get a loan since stated loans will be eliminated as an option. This would affect a great deal of the population including me.

Consumers that are now in a higher fixed rate may not qualify for a lower rate because of a lower Fico which means that they now are stuck.

If the Federal Reserve, is charged with cleaning up the credit market, they must also look at

FICO scoring and the amount of interest Banks are allowed to charge the consumer when they borrow the money from the Fed at a low rate and can charge the public upwards of 29%. How is the public to survive and thrive in such a staked deck?

Mortgage Brokers have brought completion to the market place and have allowed the public not “cherry picked “by banks realize the American Dream.

Respectfully,

Kingsley Conway
American Citizen
Consumer
Mortgage Broker

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