

From: "Rick Payne" <rickpayne@austin.rr.com> on 04/03/2008 06:35:03 PM

Subject: Regulation Z

Just a short note, to make you aware that mortgage bankers and mortgage brokers compete for the same business, 1-4 family mortgages. This proposed change improves a mortgage bankers chances of obtaining a loan that originally would have been a 50/50 opportunity. This appears to be a "restriction of trade" question that should answered prior to any major decisions made by your commission. I as an experienced lender/broker have no qualms about disclosing all my fees to a borrower. So why wouldn't a banker have the same requirements of him. We have YSP (yield spread premiums) and mortgage bankers have SRP (service release premiums), But your proposal apparently doesn't see it that way. How can we be paid yield spreads by wholesale mortgage bankers, who in turn quote the same rates to their retail branches. Yet, they are not required to disclose any fees. Tell me, where do those fees go? Especially, If my rate is the same as the bankers??

Mortgage brokers provide a service to the consumer that is not provided by a mortgage banker. We can "cherry pick" a loan best suited for the customer because of our relationship to numerous wholesale investors. If it doesn't fit with a bank they will deny it. We on the other hand find the lender that it will fit. This makes the consumer happy as well as all concerned 3rd parties.

In closing, we provide a valuable service that should not be penalized because of an over-reaction to a current crisis. We all still remember the RTC/FDIC debacle, let's not let that mistake happen again.

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