From: "Kim Lewis" <klewis@pnlending.com> on 04/03/2008 03:36:53 PM

Subject: Regulation Z

I am a licensed Mortgage Broker in Fort Worth, Texas. I have been originating mortgage loans for 28 years and have dedicated by career to first time homebuyers. I fully support actions taken by the Federal Reserve that would protect a consumer from unscrupulous lending practices. I personally chose not to originate sub prime loans but instead worked with customers to educate and counsel them before they obligated their families to a mortgage payment or a loan that did not suit their needs or ability to repay.

As a mortgage broker, I do NOT represent either party – I work with the homebuyer and the end mortgage lender more as an intermediary. This is a value to the consumer in any real estate transaction. I compete with both mortgage brokers and mortgage bankers for my business. I don't believe that the average consumer understands the difference between the two. This proposed legislation is not likely to make it any clearer. I believe the Fed realizes that mortgage brokers are paid a yield spread premium for a service that is rendered. A mortgage banker is also paid a premium for mortgages they originate and this ruling still does not require that ALL originators abide by the same rules of protection. Why would we consider legislation that does not protect the consumers regardless of who they get their loan from?

In order to run a mortgage broker business (which I have done for the last 12 years) – I have to be able to make sufficient money to turn on the lights, pay my staff, own a copy machine and pay for postage. Yield spread premium is a revenue source that allows me to do that. Is the hidden agenda of this ruling to eliminate small businesses operating in this industry leaving only the large banks to make mortgage loans? That will certainly reduce the consumer's ability to shop for the best loan.

A flaw in the regulation as written is that I cannot give a customer a dollar estimate of fees to be charged before I have even taken a loan application. How would I have sufficient data to produce the required disclosures if I don't have information on the borrowers' financial status? This includes credit, income, loan type requested and property information. If I issued a disclosure without this data it could, in fact, result in the customer obtaining a mortgage that is actually LESS favorable.

Again – I embrace the idea of protecting consumers from unsound practices by any mortgage originator and I appreciate the opportunity to express my view point and have the Federal Reserve consider them.

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