From: "Vickie Graves" <Vickie@amsmort.com> on 04/03/2008 03:37:09 PM

Subject: Regulation Z

Board of Governors of the Federal Reserve System
Docket No. R-1305

My name is Vickie Graves and I am a Mortgage Broker from Madison, MS. I spent ten years in Commercial Banking before becoming a mortgage broker some fourteen years ago. This gives me the unique view of having seen the mortgage industry from the commercial bank side and the mortgage broker side. Without a doubt I can truthfully say that as a mortgage broker I have attained a higher level of education, possess a greater sense of motivation to assist the borrower with products best suited for their needs and have the ability to search for the most competitive rates I can find for my borrower.

While employed by the bank I could only offer the products and rates available with my employer. As a Broker I have relationships with numerous lenders which enable me to search through the lenders for the borrower. I can then act as intermediary matching the borrower to the lender. The yield spread premium paid by the lender to my company can act as compensation to my company but may also act as a means to pay costs for the borrower. Thus lowering the out of pocket expense to the borrower. I am able to show the borrower, through the Good Faith Estimate, the various options so that he/she can see on paper which option works best for him/her.

I have grave concern over many aspects of the plan you are now considering. It appears that there are two sets of rules to follow, one for Loan Originators (LO's) who are employed by Mortgage Brokers and another much less strict for Loan Originators who are employed by Commercial Banks and national Lenders. As I understand the Plan LO's working for Brokers would be required to would be required to tell a prospective borrower what the LO's income will be on the loan even before a loan application is completed and underwritten. This is impossible as each borrower's credit worthiness, loan type and loan amount are different as is the borrowers choice of whether to pay an origination fee or not. The rate (thus compensation) can't be determined until all of these factors are considered and the loan priced. In addition it appears that LO's of Banks and Lenders would not be required to comply with this rule. Not only does that create an unfair advantage favoring Banks and Lenders over Mortgage Brokers but is completely confusing to the consumer. How would the consumer be able to accurately compare?

Let me be clear I am in favor of any disclosure which will assist the consumer in making clear informed financial decisions however disclosure requirements must be consistently provided by all LO's. The type of company which employs the LO should not determine whether a consumer is provided information or not. If the purpose of your Plan is to protect the consumer I fail to see how imposing rules on one segment of the industry accomplishes the goal.

Lastly, let me say I appreciate the severity of the market in which we are in and understand your role in the market. However I ask that you consider the fact that the mortgage industry is a service industry, it is a highly competitive industry….perhaps much more so now. I encourage you to consider regulation that would help foster the competitive sense of the industry. A plan where the borrower determines their choice based on the services and prices offered whether offered through a Bank, a Lender or a Broker as we all disclose consistently across the board.

Thank you for your time.

Vickie Graves, CRMS, MRMS*
AMS Mortgage
NAMB Broker of the Year Finalist 2006
MAMB Past President
601-607-4730 Phone
601-607-4727 Fax