

From: BLOUIK@aol.com on 04/03/2008 06:30:03 PM

Subject: Regulation Z

To Whom It May Concern:

This is in regards to the above mentioned Proposed Rule Amending the Regulation Z. I am all for having some control and limits in order to conform to some protection for consumers. I do think that we are in need of some of these changes. But the new proposal that is on the table right now will put "ALL" Mortgage Brokers out of business. When going to a "Bank/Lender" the consumer has very limited options. The Bank/Lender does have some loan charges and they do not receive the certain compensations that us Mortgage Brokers receive. The Bank/Lender funds their own loans, so the interest rates are usually at least .250% higher than what a Mortgage Broker or Loan Originator can obtain on behalf of the consumer as we have numerous lenders to choose from on behalf of our consumer which allows us to obtain lower interest rates. Are fees are a bit different than a Bank/Lender as we cannot sign our own clients, we do send them to a Licensed Escrow and or Closing Attorney as we are governed under a different set of laws than the "Banks/Lenders" are. We are always having to prove ourselves to the Consumer as Banks/Lenders are typically a given for business. Banks/Lenders are a bit more strict on their lending guidelines that do make it impossible for the average consumer to obtain a Mortgage Loan. That is where mortgage brokers are a positive entity for most consumers that cannot normally obtain a Fannie Mae/ Freddie Mac or and FHA Home loan through a Bank/Lender. Then there are the Bank/Lenders whom we do have to compete with and whom we send our loans too. Mortgage Brokers tend to be a bit more tuned into the clients needs at this time, but if the income goes away to be like the banks/lenders are today, you will find that Home ownership will drop dramatically. I also feel that if the Mortgage Brokers need to implement these new disclosures I feel that "ALL" lending entities need to be included in these changes. Here at our company, we have disclosed the premium yield spreads on the Good Faiths for about 5 years now. We have also already implemented the new Disclosure pertaining to our Total Broker Compensation paid to us at closing. We have already started to include these to our consumers. Like I have already stated, we are all for changes and improvements ect but I think that we really need to re-think some of the issues such the restrictions to the income. We use these to the consumers benefit a lot of the time also to help them with their closing costs and or prepaid for their escrow accounts. There will be more injury than benefit if these restrictions pass thru plus you will most likely put quite a few Mortgage Brokers and Loan Originators out of business. That then will open a whole different set of issues in the Small Business Sector. Also with the yield spread premiums we are able to obtain from the lenders also allows us to offer lower rates than banks and sometimes allows us to charge less to the consumer depending on the circumstances.

Thank you for your time in considering these above mentioned comments and the comments that you have and will be receiving on behalf of all Mortgage Brokers throughout.

Sincerely,

Brandee Rose-Louik
First Choice Mortgage Company
Spokane, WA