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Subject: Regulation Z

Please accept my comments regarding the proposed changes to Regulation Z that concern yield spread premium:

The proposed changes to Regulation Z go too far and don't solve the problems you would like to solve. Nowhere in the United States is commerce so restricted and free trade so encumbered as to have a company prohibited from receiving rebates and other compensation from wholesalers on a retail sale. In an effort to protect consumers, our government is overstepping the bounds of free enterprise in trying to overprotect individuals who are free to negotiate and shop their rates and fees perfectly well on their own. It's not American. The current credit crisis has not impacted consumers as a result of actions that will be redressed by the changes sought. It will certainly restrict commerce from only one aspect of an industry. Furthermore, it unfairly puts mortgage brokers at a disadvantage against mortgage bankers and banks, who sell their loans after closing instead of prior to closing as brokers do. In response to a better solution, our legislature and HUD have refused repeatedly to take the appropriate action of prohibiting home builders from owning their own mortgage companies, which is where the bulk of the problems arose at a percentage that far exceeds problems from mortgage brokers, due to their inherent conflict of interest. This, of course, ignores the fact that borrowers only claim that they didn't know what they were doing once they refuse to pay the mortgage on time. Take out the speculators, the people who never could pay for a mortgage, people who bought for investment, people who lose their job or die, and people working with a builder-owed mortgage company and you are left with very few people who could even claim to have been injured without their knowledge - - and this change to Reg. Z wouldn't fix their problems regardless. Please reconsider these changes and discuss with industry professionals a better solution. No change is better than an ill-conceived change.

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