

From: PAUL SILVERMAN <silverman1@prodigy.net> on 03/26/2008 09:40:13 AM

Subject: Regulation Z

Dear Sir/Madam:

My name is Paul Silverman and I am president of Home Town Financial, Inc. in Durham, NC. Home Town Financial has been an incorporated mortgage brokerage entity since 1993 and we have always strove to serve our customers in an ever changing and challenging mortgage market that presents a myriad of choices for homeowners and investors. The brokers role is to bring together a borrower with an appropriate funding source. The performance of this duty is not always clear cut and straightforward. Prior to application there are just too many unknown factors with the borrower, the property, and the potential lenders to be able to accurately disclose exact fees because so many things can change during the loan process. This would limit a borrowers flexibility once the process has started because if they needed the broker to change the product in mid-stream, but were disclosed fees from another product that were lower, the broker would have to eat the difference if he could do it at all. The only practical option left under these proposed regulations would be for the broker to disclose fees on the high end prior to application with the caveat that they most certainly could come down once a funding source is finalized. This approach would be fine if direct lenders and banks were required to operate under the same guidelines, but to only require this disclosure from mortgage brokers puts us at an unfair competitive disadvantage.

I fully support licensing, continuing education, audits, regulations, disclosures and any other practical method to ensure professionalism and protection of the consumer in the mortgage industry and I have been proud of North Carolina's role in leading the nation in changes in the industry that have curtailed the many abuses that have occurred over the years, but to create rules that do not apply equally throughout the industry is patently unfair and will ultimately damage an industry that has played a major role in fueling the economic growth that this country experienced over the last 10 years. Fairness in competition for all loan originators is the only way to promote the best service and and lowest price for the consumer.

The cause of mortgage/foreclosure crisis can not be laid exclusively at the feet of mortgage brokers and uneven regulation will only cause unfair competition which will harm the consumer. This current crisis is a result of unfettered greed from Wall Street to Main Street and a shortsighted approach to only regulate the softest target will fail to produce the desired effect of preventing this or something similar to this from happening again.

Thank you

Paul Silverman
President
Home Town Financial, Inc.
119 Orange Street, Suite 301
Durham, NC 27701

