

From: "Scott Gilliam" <scott.gilliam@carteretmortgage.com> on 04/07/2008 05:30:03 PM

Subject: Regulation Z

I wanted to make some comments regarding this proposal.

First of all, consumer protection is necessary and admirable. However, it would not be prudent to just have this be "broker" specific. To really protect the consumer, federal and state banks, credit unions and lenders should be added to that list, not excluded, if we are going to protect the consumer fully. This seems to border on discrimination of mortgage originators, specifically those of us who work for brokers. While greater than 50% of the nation's business is done by a broker because of trust, this would fragment that relationship even further. In NC, 70% of Realtors want to work with a broker. Consumers win when there is real competition between lenders, banks, credit unions and brokers, not by an uneven playing field.

Secondly, regarding the broker compensation disclosure, I understand this would need to be sent out even before an application is taken. This really defies logic. How can any lender, bank, credit union or broker know if the consumer is even going to qualify, but yet we must disclose any rebates or yield spread premium. We cannot even disclose if they even have a legitimate chance at qualifying, nor even know what the rate and terms are yet until we take an application, send disclosures, pull credit, etc...and then run it through underwriting. HUD already requires disclosure on the GFE and HUD1. We would spend money unnecessarily before an application is taken, and not even know if the client was even serious. This would significantly hurt small and medium sized businesses monetarily, in a time when so many are going bankrupt, and we know this is not helping the consumer.

Lastly, this a time when you should help those consumers who will really be worthy of making reasonable mortgage payments which will keep the industry moving forward. There are many self-employed people who want, can and in some cases are already making high mortgage payments because they are able to perform a *stated* or *no doc* type program to get qualified. Please do not get rid of these type programs because so many are hurting to get out of a high interest rate loan and high payments they are in, and they are qualified to get out of that and into a lower rate and lower payment.

Thank you for your time and consideration with regard to my comments.

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