

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Secretary,

04-02-2008

Re: Proposed rule amending on Regulation Z

I am an employee of a mortgage company which is a subsidiary of a national bank, and a 17 year veteran of the mortgage industry.

I am writing to express the fact that I support the Board of Governors of the Federal Reserve I initiatives that foster fair competition among various mortgage originators and thereby increase access to loan choices for consumers. I am a big believer in competition and the fact that it results in better service and products for the American public, it is one of the things that has made our country great. I strongly support measures that enable consumers to choose the most appropriate loan and the highest quality service at the best price without confusion, bias or deception.

However the Board, while acknowledging the primary role of competition in improving service and driving down costs, will through its proposal, impede competition and put borrowers at a disadvantage. By imposing dramatically different disclosure burdens on mortgage brokers without any credible empirical evidence to justify this action, the board reveals a dangerous bias against brokers, and it ignores the FTC studies that empirically state disclosures similar to the proposed will confuse consumers and distort informed choice.

I take exception to a disclosure with language that states a creditor's payment of yield spread premium (YSP) would, in and of itself, cause an originator to not act in the consumers best interest. This language will clearly create substantial bias against mortgage brokers, even when faced with a loan that has better terms and lower costs and a lower rate than the competition. This will not enhance competition it will impede it. The reason mortgage brokers end up doing such a huge percentage of the loans in America is due to the fact that they provide better service and a better value to consumers, something that capitalism and our fair country is based on. Prior to mortgage brokers the consumer had far less choices either the banks, who's due to the lack of competition and inefficiencies, would process loans very slowly or if the consumer could not wait or had some other reason why the bank would not lend to them the finance companies who charged very high rates and very high fees.

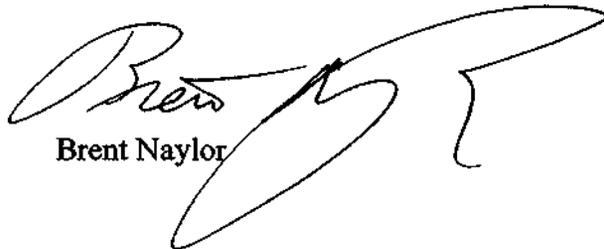
The mortgage brokers created a service industry that does a better job of focusing on the needs of the consumers and brought down costs and rates for the consumers and forced the lenders of the nation to compete for the business of the consumers who prior to the growth the mortgage broker avenue of business were forced to chose from much more limited options.

I myself have the option of closing loans as a lender or when it is in the best interest of my clients brokering the loan. To limit the choices of the consumer does not provide them with the best level of service and the most options to accomplish their goals.

The vast majority of mortgage brokers are concerned with the borrowers best interest when providing loan options and to do anything to unfairly impede their ability to complete will reduce competition and limit consumers choices.

I support a disclosure that would be required of all originators that states to the consumer "protect yourself and comparison shop in order to find the best loan". This would foster unbiased, non-confusing transparency that truly supports informed credit choices.

Sincerely,



Brent Naylor