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CITYWIDE
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# Fax Transmittal Form

To: Federal Reserve
Name: Board
Organization Name/Dept:
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Urgent
For Review
Please Comment

From: Hall, Lester
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Date sent:
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Please note following comments. I, and Brokers like myself should be entitled to the same "Rights, Priviledges and Special Treatment" as Bankers receive after all, Surely they're not "better" in some way than we are, or for some mysterious reason entitled to "Special" treatment! I'm a twenty four (24) Year U.S army Veteran (Ranger, Special Forces), a Puerto Rican Minority and Surely you know that I, and others like myself expect fair, equal Treatment and NO Bias. Thanks for your Courtesy

L Lee Hall

CITYWIDE MORTGAGE ASSOCIATES, INC.
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CITYWIDE

Date: April 7, 2008

Attn: Board of Governors of the Federal Reserve

RE: Docket No. R-1305

Dear Board of Governors,

My name is Lester Hall from Springfield, MO. I am writing this letter to express my support for Consumer Protection Provisions in all that is carried out to protect our prospective clients. The matter discussed within the body of this letter is to serve the purpose of respectfully opposing the restrictions on compensation for Mortgage Brokers.

My profession entails working as a loan originator for a mortgage brokerage firm whose responsibilities include servicing homeowners to help them obtain either a refinance or purchase transaction. By being a broker, I am able to provide several different options creating a larger consumer choice available so that my clients can obtain the most competitive product available. By being a part of a reputable mortgage broker, I am able to service my clients to the highest level due largely to the availability of the products we have to choose from. Homeowner's deserve to possess the right to be informed and educated on all possible lending products available. By limiting what a mortgage broker can be compensated, the level of competition could decrease dramatically thus reducing the consumer's choice resulting in a product that may or may not be best for them.

The general consumer, without proper education and guidance on the topic, are largely unable to distinguish the difference between lending institutions and brokers. Without brokers, consumers would be lead to follow advertising which could lead to an influenced consumer choice possibly negating any opportunity for consumers to openly shop competition for the best possible lending product. The newly proposed disclosure would limit a broker's ability to find a product that works for the consumer.

Brokers must compete with direct lenders. It is somewhat contrasting with the lines being blurred as direct lenders more recently themselves package and resell the loans they originate. Any disclosure requirement passed should be equally applied to all loan originators and not just brokers because when direct lenders package and resell loans, there is a back-end premium that is paid for them. So not only could a consumer be lead to a less competitive product, they could still be charged a higher premium by the direct lender from the loan being sold to another direct lender.

Back-end premiums paid to brokers help to assist to pay certain costs affiliated with loans. Those premiums just don't act as compensation to brokers as they help facilitate loans to close by potentially assisting a consumer's loan to close.

Presently, brokers are already required by HUD to disclose yield spread premiums in both the Good Faith Estimate and HUD-1. Additional disclosure required by the broker would be unfair to the broker and would cause an even more unfair playing field.

As a broker, I have serious reservations about the proposed changes and enhancements to Reg Z. Most troubling is the Fed's continued focus on the mortgage broker community while giving bankers a free pass when it was the banks and their investors that created the very products that the Fed is now belatedly trying to control. Mortgage brokers do **not** create, package or securitize any of these products that have now been determined to be the root cause of the "mortgage meltdown."

The only fair way this proposal would be fair is if banks were required to make the same disclosures about their own margins (back-end/yield spread premiums) and their charges above prime rates. Currently, brokers are required to do this while banks are not. The playing field is already unequal and this would make it more so and lead to less consumer choice for the general public.

In closing, I suggest that the Federal Reserve consider alternatives to the proposed regulation which would protect consumers in their dealings with all mortgage originators and encourage competition on price and service.

I want to thank the Board of Governors of the Fed Reserve for considering my comments.

Respectfully,

Lester Hall

Lester Hall
Loan Officer
Citywide Mortgage Associates, Inc.
Springfield, MO