



The Mortgage Source, Inc.

The Mortgage Source
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March 25, 2008

Re: Proposed Rule Amending Regulation Z

Dear Secretary,

As a mortgage professional, I embrace initiatives by the Board of Governors of the Federal Reserve that foster fair competition among various mortgage originators and thereby increase access to loan choices for consumers. I strongly support measures that enable consumers to choose the most appropriate loan and best service and price without confusion, bias or deception.

However, the Board's proposal, while acknowledging the primary role of competition in improving services, and driving down costs, will impede competition and thus disadvantage borrowers.

By imposing dramatically different disclosure burdens on mortgage brokers without empirical evidence to justify this action, the Board reveals a dangerous bias against mortgage brokers. It is disingenuous to ask for comments and empirical evidence from participants in the mortgage market while the Board itself ignores the FTC studies that empirically state disclosures similar to the proposed will confuse consumers.

Specifically I take exception to a disclosure with language that states a creditor's payment of yield-spread premium would, in and of itself, cause an originator to act in a manner not in the best interest of the consumer. This language will clearly create substantial bias against mortgage brokers, even with faced with a loan proposal with lower costs and a better rate than the competition. Common sense tells us the language required is not meant to clarify or empower the consumer, it is meant to warn the consumer against the mortgage broker's profit motive. This will impede competition.

The Board irrationally justifies such inflammatory and confusing language by postulating that a consumer understands that when they walk into a bank, the bank is not acting in the consumer's best interest. However, the proposal gives no such credit to the borrower's ability to discern the originator's motive when they walk into a broker's office.

I support a disclosure that would be required of ALL ORIGINATORS that states to consumers:

"Protect yourself- comparison shop in order to find the best deal."

We must clearly indicate to every borrower, no matter the type of originator, that they have the responsibility for looking out for their own interest by comparison shopping. "Buyer Beware" is an effective consumer advocacy concept and it is once again time to remind Americans of this important principle. This would foster non-confusing, unbiased transparency that truly supports informed credit choices.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cindy Mullis".

Cindy Mullis
Loan Officer
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