From: "Russell Roper" <rroper@homecorp-mortgage.com> on 04/07/2008 07:45:04 PM

Subject: Regulation Z

I would like to comment on the Proposed Rule Amending Reg Z. My comments are from a person who has 15 years in banking (from Assistant Cashier to President) and 18 years in the mortgage business.

I (James Russell Roper) am the owner/broker of Homecorp Mortgage, Inc. in Marble Falls, Texas. I do commend the Federal Reserve for what they do and how they do it. However, this proposed amendment has a number of flaws.

First: All mortgage originators should be treated as equally as possible.

Mortgage brokers must disclose more information than any other lender. This included information on the "Good Faith Estimate of Closing Costs", Disclosure of Premium Paid to Broker by the final lender on the HUD 1 Settlement Statement, State of Texas Disclosures, and other mortgage broker disclosures. Bankers make the same income (rates priced the same internally) as brokers, and yet brokers are the ones that have to disclose all. No other business, manufacturer, salesman, or any other line of work has to disclose as much as brokers.

It amazes me that brokers that lose their license due to complaints, fined by State of Texas regulators (fines and restitution), brokers license revoked, and they convert from a broker to a banker and stay in business!!!!

Second: Competition with banks, mortgage bankers, and other brokers.

Competition in the mortgage business has never been greater. Everyday, I have to compete against other mortgage, brokers, banks, internet sales, and mortgage bankers. A majority of our borrowers are very aware of interest rates, closing costs, and products available. Now, with the increase of internet advertisements, our less knowledgeable borrowers are ware of what rates and what other lenders are offering. Times have changed substantially in the past five years.

Since there is so much competition, we have to offer competitive rates to stay in business. Customers do ask for our APR, and even has learned to ask for "Good Faith Estimates of Closing Costs" (GFE) to compare lenders. There are already substantial disclosures for the consumer, and any additional disclosures are excessive.

Third: Regulation Z Consumer Protection Rules.

As I said before, the Federal Reserve has always done an excellent job protecting the consumer. Someone has to do it, and the Fed is it. However, the proposed amendment of Regulation Z goes a little too far.

If we offer an acceptable interest rate: at a competitive APR, with premium disclosed on GFE, and all income disclosed on the final HUD 1, how is the consumer harmed? I go to over 95% of my closing, and we never have a problem. I also require my loan officers to go to their closings. A great time to make sure every thing from explanations, to funding, and just to say thanks your customer. This is an additional service that I have been doing for over 15 years.

To restrict the compensation of brokers and not restrict the bankers would be a travesty. APR calculation is the best way for the consumer to compare rates.

I have had dealings with many people that had just closed real estate transaction overseas. In the United States of America, we disclose substantially more than any other country. This includes the closing statement, all deeds, and disclosures. In the United States of America it is always a little more, then a little more, and now is a time to say ... it is enough.

Fourth: Disclosures should apply to all.

At this time, it is even hard to distinguish who is a banker, broker, net branch, or banker. The banks have mortgage departments that are brokers, the net branches can fund as a banker or broker, and the large mortgage bankers have their own retail and wholesale departments. Names of individual companies are the same or nearly the same. Who is really making this loan: broker, banker, net branch, mortgage banker? It is hard to say, so all disclosures must be the same for all. All should be licensed by the government, and all should adhere to the same rules and regulations.

There is a need for additional regulations. At this time, the press and regulators are looking for someone to blame. In the 1980's, Texas and a few other states went through a depression in our real estate and banking industries. Now the real estate depression is on the east coast, west coast, northeast, and various points in between. The loans offered to the public by lenders were the programs offered by the banks and bankers to all mortgage lenders. These loans a few years ago were touted by Washington and Wall Street for expanding mortgages to all the people. There were even cries out for even more expanded programs to offer to all the people. These programs were offered to all, and now you see where it has gotten our nation. Foreclosures on the rise, property values going down, and everyone is looking for someone to blame. Loan programs banned in the 80's became common place (negative amortization ARM's). These and expanded sub-prime loan programs allowed many people that should not have qualified for many loans to getting into mortgages they should not have been qualified to obtain.

The expanding of Regulation Z will not protect any additional consumers. The rules for mortgage brokers are sufficient to protect the consumer. Mortgage Bankers should have the same rules applied to them as mortgage brokers. This will finally give the consumer the ability to compare all disclosures. Either require mortgage bankers to abide by the same rules or lower the requirements for mortgage brokers. Since the latter is now going to happen, then a level playing field would be in the consumers best interests.

Sincerely,

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