

**From:** "Sam Coates" <sam@adasmortgage.com> on 03/31/2008 01:10:03 PM

**Subject:** Regulation Z

To whom it may concern:

As a small two man shop I love my job. I get to compete against the banks and beat them with my wholesale rates. All of my business is word of mouth, I get referred a customer I get him a great rate (usually a .25 better then he gets from a bank) I get my loan closed in 5 business days (the advantage of being small and being able to offer real customer service) and my happy customer refers me other business. That's why I love my job face to face business and customer service.

The problems I have with this regulation

Today customers have a wide verity of choices to shop for a loan. (competition is good) Why would I as a small broker who is just like any other originator be forced to disclosed my yield spread premium prior to an application? First of all this will confuse the customer, the names of mortgage companies and banks are all close and that disclosure will make us look unprofessional. Now my second problem is what if that rates go down, I pull my loan with one lender and relock it with another lender. Now the customer gets a better rate. Doesn't that benefit the customer? I charge my customers no good faith deposit they are free to shop and leave anytime during the loan process. But at a bank you almost must make a good faith deposit just to get a rate. Why would the fed want to stifle competition? Why should I be forced to become a shady net branch or a correspondent lender? Is it because the bank lobby is more powerful?

Let me use another example, Wells Fargo is allowed to call and hammer people about refi's and because they are a bank they are allowed to give people an awful rates and charge 4 points, I have friends that work in their offices, they strip the equity from people, mostly lower middle class people, and they would be exempt from this. They are different then I am, crooks in my eyes. But yet I the small business man will be regulated.

A few ideas:

How about no good faith deposit so people always feel they can shop. How about making it easier for small shops like us to become FHA licensed, the banking lobby made sure that would not happen. Those two things right there would improve the quality of loans consumers get.

Sub Prime is gone.

Other issues:

Everything worked fine before the hedge funds, once that issue works out and everything gets valued correctly the markets will stabilize.

We are the same as all other originators and should be regulated the exact same way.

Do not penalize us because we are small.

Make it easier for us to become FHA licensed.

Please have common sense and do not put us out of business.

Thanks for your time!

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