

# Coastal Mortgage Financial Corporation

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Ms. Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve  
20<sup>th</sup> Street & Constitution Avenue NW  
Washington, DC 20551

March 28, 2008

Dear Ms. Secretary,

I would like to comment on Docket R-1305. Before more laws are passed in regards to the mortgage industry, I believe the legislature should complete a full, comprehensive review of the laws they have already created. As recent as this past January, new laws were passed (NC-HB 1817) in North Carolina addressing many of the new laws you are proposing.

Has the legislature asked why no-doc and stated income loans were created in the first place? Do you know the answer? It would be more prudent to enforce the original guidelines, instead of a total elimination of these mortgage products.

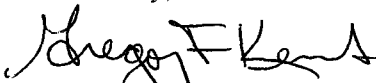
In regards to disclosing Yield Spread premiums to within \$100.00. I ask you, what other industry reveals to the consumer their exact profit margin on goods and services sold. There are already disclosures stating that mortgage brokers are acting as an independent contractor and not as your agent that are sent to potential clients. In addition, if this is required by mortgage brokers, why not banks and other financial institutions?

Other aspects of this proposed legislation (proving a client repay the loan for the next 7 years) are equally troubling.

I am in favor of laws protecting consumers from predatory lending. The existing laws, if enforced, would be adequate. If not, why were they passed in the first place?

This bill appears to have been hastily written as a political, feel good measure. It does not further protect the American public. It does however, limit competition, unfairly favor large corporations over small companies, and limits the choices for the American consumer.

Sincerely,



Gregory F. Kenna  
Broker