

Subject: Regulation Z

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Proposal: Regulation Z - Truth in Lending

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Comments:

To Whom It May Concern: The proposed changes to Regulation Z are both harmful and helpful to the the consumer. I feel that adequate consumer protection is necessary and I fully support the intentions, however, the proposed restrictions to broker compensation will ultimately be detrimental to the consumer. Mortgage brokers provide a useful service. We have been made the scapegoats of this debacle by the national media but, by and large, we are consumer advocates that serve their interests. We accomplish this by diligently assessing the consumers' situation, needs, and goals. We maintain an intimate knowledge of the products, programs, and loan terms that are available for them. Banks, on the other hand, are restricted to selling only what they have to sell. This does not always coincide with the consumers' best interests. Mortgage brokers help to facilitate an open market. We are called middle-men but, in reality, we are industry experts that can serve the consumers very well when given the opportunity. The proposals will make it much more difficult to receive appropriate compensation for those efforts. The amendment proposes an unfair singling-out of the mortgage broker compensation disclosure. ALL mortgage originators including bank employees, lender account executives, and mortgage brokers should be held to the same standards if a change is implemented. This amendment mentions Yield Spread Premium (YSP) as a detriment and that its disclosure

as a specific number at the beginning of the loan application process will cure the the industry ailments. Hold banks to the same standard, don't protect Big Banking. Also, requiring this disclosure before all facts are known is unrealistic and unfair. Ultimately, it will be more costly to the consumer because the broker will feel as though he has to "pad" the numbers to be in compliance. The opportunity to comment on this matter is appreciated.
