From: Ann ------- <spurkay@msn.com> on 04/02/2008 08:30:03 AM

Subject: Regulation Z

- My Name is Anna Hernandez, Clearwater, Florida

- I would like to express my support for the Federal Reserve Board's proposed amendments to Regulation Z However, there are certain portions of it that I believe need to be removed from this ammend ment as they do nothing to assist borrowers in procuring affordable financing for their homes, and in fact would detrimentally and severely impact the already devestated real estate and mortgage market in this Nation.

- Firstly, Mortgage brokers provide an invaluable service to borrowers by acting as an intermediary between the lender and the borrower without representing either. Mortgage brokers do not design nor implement mortgage products, Lenders and Banks do. Brokers simply assist borrowers, who are generally less informed of the borrowing options that are available to them and, hopefully provide them with the information they need to make wise choices/

- Mortgage brokers must compete with direct lenders, and this distinctions between brokers and lenders has blurred in recent years as lenders themselves typically package and resell loans they originate

- Consumers are largely unable to distinguish between brokers and lenders, which have similar names, use similar signage, and rely on similar advertising

- Mortgage brokers are already required to disclose any fees paid to them either by the lender or the borrower on the GFI and TI. Banks, and Banker lenders, which if the Federal Reserve Borad were to look at more closely than they are currently, would discover have excessive fees being charged and are not required to disclose them ANYWHERE, EVER!! Based on this, I would insist that any disclosures apply equally to ALL mortgage originators, or anyone (banker, lender) not just brokers

- Yield spread premiums are much more than just compensation,. Often times, in order to get secure a loan for the borrower, these funds are applied to paying other costs. It is impossible for the Broker to quote exactly what the Yield spread paid by the Lender will be since it is the LENDER who changes these, usually the day before or the day of closing! How can you expect a mortgage broker to disclose fees that they have no idea will or are being charged since the lenders are not disclosing them to the broker? This is a totally ludicrous assumption.

- In the real world, requiring brokers, but not other loan originators, to make compensation disclosures enable the brokers' competitors to steer consumers away from brokers, even if brokers offer more favorable loans., which is already quite often the case. Then the Borrower discovers that when they get to the closing table, everything they were quoated has changed! Perhaps it is time that LENDERS and BANKS were scrutinized more intently! After all, it is the LENDERS AND BANKS who create mortgage vehicles and determine yeild spread and THEIR fees. Often the Lenders Underwriting, processing and other "junk" fees are far in excess of anything the mortgage broker could ever charge.

- It is impossible to give a reasonably precise dollar estimate of fees a broker will charge in a transaction even before an application is submitted because the broker does not yet know the prospective borrower's financial status, transaction details, type of product sought, or amount of loan, all of which may vary as the transaction progresses. In addition, the LENDERS have the option of altering the Yield spread and changing guidelines and programs prior to closing, something the broker has no control of so how can they be expected to disclose this?

- It is absolutely impossible for a mortgage broker to ensure that the borrower will not default on a loan for seven years! Brokers are not psychics. We can in no way read the future of each and every borrower seven years in advance! If this were possible, I would assume the Lenders, who in essence take the greatest risk would already have devised a way to do this. This is just another ludicrous suggestion, which I am sure originated from the Banks and Lenders looking for someone else to take the risk while they accumulate all the profits. This is total insanity!

- Thank you for considering my comments on this subject. Having worked with Lenders, and seen how filthy a game they play by adding thousands of dollars of junk fees to loan closing costs, extortion of excessive non-refundable fees for doing nothing more than holding money in escrow for lender demanded repairs, devising loan programs that only serve to ensure the borrower will not be able to pay the loan interest two years from conception, and then literally bribing the brokers, by offering excessively high yeild spreads for putting the loan in place without fully disclosing even to the broker exactly what the program is. I personally turned in four lenders to the Fed last year alone for all the issues I have mentioned, and more! Yet I do not see any extra demands from Lenders. THEY created this disaster, not the Brokers. All a broker can do is put a product in place that has ALREADY been designed. I'm wondernig if anyone at the FED has become aware of maybe the banks don't really care if they hae millions or properties in REO. Why should they? Most are FHA insured loans, so 80% of the loan amount will be re-imbursed to the lenders, what do they lose? Nothing. they turn around and sell that same property at a discount, and make even more money on the resale of the property and another loan in place.

I find it extremely insane that someone at the Federal Reserve in all their infinite wisdom has not bothered to question the practices of the Banks and Lenders. My only question is WHY?

Thank you for your continued efforts to protect the consumer from unfair practices. I am not just a mortgage broker, I am also a consumer and a mortgage holder, as are you. I would respectfully ask you to reconsider this amendment and beg you to look more closely at the practices of Lenders and Bankers and their COMPLETE LACK OF REQUIREMENTS FOR FULL DISCLOSURE!

Sincerely,
Anna Hernandez