

**From:** "Ervin Matik" <ervin@matikfinancial.com> on 03/26/2008 04:25:05 PM

**Subject:** Regulation Z

I, Ervin Matik, a Mortgage Broker and MBB owner in the state of Florida support the consumer protection goals of the Federal Reserve Board's proposed amendments to Regulation Z, but respectfully oppose the proposal to restrict compensation for mortgage brokers.

Mortgage broker compensation, including yield spread premiums, already are disclosed on both the GFE and HUD-1, even though there is no corresponding requirement for lenders to disclose compensation paid to their own sales staff.

Most of the reason the borrower uses our services is because we take the time to meet them face to face, perhaps at their homes mostly on the weekends and evening hours. We follow up with banks during the day, make sure all the paperwork is filled correctly, and efficiently so they don't have to. I personally am there ALWAYS for my borrowers... WHY? Of course I get paid... if I didn't get paid to do these services, why would I be in the business?

I would be honored to show borrowers disclosures encouraging prospective borrowers to comparison shop and explaining that ALL loan originators do not represent borrowers and do not necessarily offer borrowers the most favorable terms.

It has been harder and harder for us Mortgage Brokers to compete with direct lenders as they themselves typically package and resell the loans they originate. In the end, any disclosures should apply equally to ALL mortgage originators, not just brokers.

Fees similar to the YSP are present in any mortgage origination distribution channel, regardless of whether a broker is involved. 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. Requiring brokers, but not other loan originators, to make compensation disclosures will inhibit competition, which will limit consumer choice, increase prices, and hurt borrowers. 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 the end, I suggest that the Fed consider alternatives to the proposed regulation which would protect consumers in their dealings with all mortgage originators, and encourage competition on price and service.

Thank you for considering the comments.

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