

From: "Joyce O'Daniel" <jodaniel@tamg.biz> on 03/26/2008 05:20:02 PM

Subject: Regulation Z

My name is Joyce O'Daniel, and I am a loan officer at The Advantage Mortgage Group in Phoenix, AZ. I have been working at this company for 12 years, and in the business for 18 years. I support the rights of consumers to be protected against unscrupulous lending practices, and support the goals of your proposed amendments to Regulation Z. However, I respectfully oppose the proposal to restrict compensation for mortgage brokers.

As a mortgage broker, I serve both my borrowers and the lenders I broker loans to. I must provide exceptional service to my borrowers or they will not return to me for their next transaction. My role is to evaluate their personal situation and provide them with the best loan product to meet their individual needs. I must do this by following guidelines outlined by the lenders I also service. Mortgage brokering requires an understanding of policies and procedures outlined by numerous lenders and abiding by ethical practices. My clients need explanations regarding the loan products I market to them, and disclosures regarding pricing and payments and guidelines for qualifying. In our business we must constantly educate ourselves on changes in policies and procedures that affect our clients.

We compete on a daily basis with direct lenders who do not have to disclose their compensation. Direct lenders have the capability of reaping monetary benefit from the sale of servicing packages that brokers do not have. Any compensation we derive is at the time of the initial closing of the loan. Consumers are confused as to the difference between brokers and direct lenders due to similar advertising and signage.

If your desire in changing Regulation Z rules is to further protect consumers from unscrupulous loan officers, making different rules for brokers and direct lenders will not stop abuses. Loan officers at direct lenders are also earning yield spread premiums on their transactions, yet they are not required to disclose those even at signing. Additionally, many times yield spread premiums, or portions of them, are used to aid the consumer in paying closing costs to secure the financing. So, when consumers shop loan programs, they receive quotes in many different forms and fashions. Any regulations put into place for loan officers regarding disclosure to the consumer show be applied across the board, not just to mortgage brokers--that is, if the bottom line is to protect the consumer.

Thank you for your time and consideration of my points, and hope that I have been able to shed further light on my job as a valued mortgage loan officer for my clients.