

From: "Jason Medley" <jason@ratewatchresidential.com> on 03/26/2008 05:20:02 PM

Subject: Regulation Z

Hello,

My name is Jason Medley and I am a mortgage broker in Florida and would like to make a few points about the R-1305. This would be a tremendous detriment to my business and the brokering community in general. I understand the backlash and am ALL for consumer protection, but at the end of the day the market has done its job. Bad bank made bad loans and they are now out of business. Bad brokers made bad loans and they are now out of and continuing to go out of business. Bad appraisers did bad appraisals and they are now out of business.

My point it, is that the market correction has largely flushed out the people that didn't belong in the business in the first place, and it will continue to do so. I have had and run a very ethical business that is 100% referral driven and we treat people very fairly and this market has made things challenging enough.

In regards to the issue at hand, please consider the following:

1. There are alot of different type of originators and brokers should not be singled out. The cold hard facts show that whether broker or lender, PEOPLE are money motivated regardless of their title.
2. Yield spread premiums are already disclosed on the GFE and the HUD-1 by brokers, yet lenders do not have to disclose compensation to their staff.
3. As a broker, I have to compete with direct lenders, and the lines between brokers and lenders have blurred in the last several years given lenders themselves typically package and sell their loans.
4. Consumers do not see BROKER vs. LENDER, but rather they see a professional that can get them money they need regardless of where they work.
5. Any and all disclosures should apply to all channels regardless if broker/banker/correspondent, etc...
6. Yield spread is far more than compensation, it is often used to provide help to borrowers who could not otherwise purchase.
7. REGARDLESS OF WHAT YOU CALL IT, THERE ARE FEES SIMILAR TO YIELD SPREAD, IN ALL MORTGAGE DISTRIBUTION CHANNELS, WHEN BIG BANKS SELL THEIR LOANS THEY GET PAID, WHEN A CORRESPONDENT LENDER SELLS ITS LOAN, THEY GET PAID, REGARDLESS OF WHAT YOU WANT TO NAME IT, IT IS YIELD SPREAD.
8. It simply is not possible to give a dollar amount in regards to total fees BEFORE APPLICATION as the application is what enables you to determine those fees and dollar amounts. Loans are priced based upon credit score and other factors. How can I give a number when I haven't pulled the credit which is part of the application. I simply cant.
9. Please consider alternative measures to protect consumers that are applicable to all mortgage professionals, not just brokers.

With that said, I would like to thank the Board of Governors of the Federal Reserve for taking these comments into consideration.



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