

From: "Matthew Bader" <MatthewBader@BayToBayLending.com> on 03/27/2008 11:20:11 AM

Subject: Regulation Z

Whom this may concern,

- Florida is my state of license
- Our federal government allows people to work under umbrella corporations and write loans, while we licensed brokers are being penalized for the mistakes made by those with no license.
- I express support for 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.
- Services that mortgage brokers provide as an intermediary between borrowers and lenders adds in the real estate transaction by serving BOTH parties, but representing NEITHER.
- Mortgage brokers must compete with direct lenders, and the distinctions between brokers and lenders have blurred in recent years as lenders themselves typically package and resell loans they originate.
- Consumers should not need to distinguish among mortgage originators: both government policies and the marketplace should be set up to permit consumers to get the best deal at the best price, regardless of whether they use a broker or deal directly with a lender
- All disclosures should apply equally to ALL mortgage originators, not just brokers
- Yield spread premiums are much more than just compensation, and how they are used to pay certain costs and facilitate the loan transaction. If one wanted to assist the buyer then regulate the amount of points a Realtor makes, I've closed half million dollar loans that I've made three to four thousand on while the Realtor is making 6%.
- 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
- It is impossible to give a reasonably precise dollar estimate of fees one would 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

- Last of all I'd like to thank the Board of Governors of the Federal Reserve for considering my comments



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