

From: james.a.gordon@chase.com on 03/27/2008 04:50:03 PM

Subject: Regulation Z

To:

I am a Account Executive in the state of Florida.

Mortgage Brokers are licensed through out the state of Florida.

There are some things in Reg Z that I support. However, I do not support the restriction of compensation for Mortgage brokers. Currently they are already capped. Many times brokers use this compensation to help borrowers paying closing costs. New APR triggers of 3% (1st mortgages) and 5% (subordinate mortgages) above the 10-year U.S. Treasury, causing nearly every mortgage made in America to be classified as a "higher cost" loan. As such, the provisions of the Fed Rule will make financing nearly impossible...

Mortgage brokers already disclose on the GFE and HUD-1 all of the fees including YSP and compensation. There is no corresponding requirement for lenders to disclose compensation of their Retail Loan Officers to borrowers (Very different from Wholesale Mortgage Brokers.) A form of YSP is in all Channels of Mortgage Originating, not just with brokers.

Mortgage Brokers must compete with direct lenders, and this distinction between brokers and lenders have blurred in recent years as lenders themselves typically package and resell loans they originate. Mortgage Brokers have been blamed for many things that have happened in the last few years. However, the other half that is Retail Loan Officers/Lenders are offering the same products and programs with all the same issues. With not nearly as many disclosures.

Mortgage Brokers provide as an intermediary between borrowers and lenders, and the broker adds much value in the real estate transaction by serving BOTH parties, but representing NEITHER.

Consumers are largely unable to distinguish between brokers and lenders, which have similar names, use similar signage, and rely on similar advertising. 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. Any disclosures should apply equally to ALL mortgage originators, not just brokers.

Requiring Brokers, but not other loan originators (Retail), 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.

The Federal Reserve should consider alternatives to the proposed regulation which would protect consumers in their dealings with ALL Mortgage Originators (Retail and Wholesale), where we should encourage competition on price and service to better help the borrower...

Thank you Board of Governors of the Federal Reserve for considering my comments.

Have a Wonderful Day...
Sincerely,

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