From: "Pamela Ballard" <pballard@mortgagecrafters.net> on 03/27/2008 05:00:03 PM

Subject: Regulation Z

Board of Governors - Federal Serve System
Even Across the Board regulation

Board of Governors of the Federal Reserve System

Re: Proposed Rule- Amending Regulation Z Docket #R1305

Public Comment

I am a Licensed Correspondent Lender in the State of Florida – essentially a mortgage broker. I am a member of a work force of licensed brokers that numbers over 35,000. We are hard working and despite what you are lead to believe, ethical, reliable and competitive in our field. We deliver over 70% of all mortgages done in our state and as a group provide over 70% of all mortgage across the United States. The current Florida method of licensing, continuing education and mortgage loan disclosures are some of the most closely regulated in any of the 50 states. (I would say that no regulation is going to protect the public 100% of the time. And we as a nation cannot protect the public from themselves. The answer is an educated public and fast justice for the bad actors.) Florida will tell you that our regulation is working here.

Overall this rule Docket R1305, if not over complicated, should be good for consumers. We are asking however that the **rule be applied evenly applied across the board – to all originators**. All originators should have to register and receive continuing education. All originators/ lenders should have to disclose their profit – banks, credit unions and large lenders have large lobbies and have for years excluded themselves from regulation. Wasn't it the large mortgage lenders that were the basis of investigations, the Washington Mutual's and the Countrywides? Not the Mom and Pop mortgage brokers that live in the community and make a fair living in their community and have repeat business from the community year after year.

In Florida we are required to disclose all costs on a good faith closely following the HUD-1 format and to disclose all fees including that which we earn from the lender upon presenting the completed loan for purchase. This fee is call Yield spread. Yield spread is the fee that we receive from the lender for marketing for the loan, counseling the client, gathering the financial information, processing the loan to the lenders specifications, submitting the loan, locking the rate for the client, closing the loan and forwarding the complete, executed loan to the lender for purchase. We do not, as a rule approve loans. Yield spread is the way that the lender shares with us, his savings in overhead, benefits, employee costs that we provide in the acquisition of that loan.

Our competition is the bank, credit unions, mortgage lenders and the large brokerage houses. We all ***compete*** for our part of the home mortgage business. We do so by consumers' comparing us on interest rate and closing costs.

Since we compete by rates and costs – do you really think that my rate at 6.5 and a banks rate at 6.5 differ? And that if I am making a living by doing mortgages at 6.5 the bank is not making the same profit or more at that rate? Banks, Credit unions and mortgage lenders just make their profit at a different point in the transaction. They may hold the loan for 3 months before selling on the secondary market. But when they make the sale they make their profit. Why is it that they don't have to disclose that profit? However the banks, credit unions, mortgage lenders and large brokerage houses are not forced to disclose their profit – only we are. Why because they have large lobbies that say that they are different – they don't need to be regulated. We think differently, and I hope when you look at this disparity in regulation you will fee that they are NOT different and need this regulation

Enact the rule **but make it apply to all originators across the board – period.**