

From: "Louis Rinn" <louis@megapolitanmortgage.net> on 03/28/2008 05:30:03 PM

Subject: Regulation Z

Dear Sir/Madam:

My name is Louis Rinn, and I'm a mortgage broker in Reseda, California.

I express support for the consumer protection goals of the Federal Reserve Board's proposed amendments to Regulation Z, but I respectfully oppose the proposal to restrict my compensation as a mortgage broker. I provide services to the public as intermediary between borrowers and lenders and I have been doing this for 22 years. As a mortgage broker, I feel I add value to the real estate transaction by serving both parties, but representing neither. My clients rely on my expertise to give them financial advice pertaining to their mortgage, that's why my business is based mainly on repeat clients.

I feel that the proposed amendments to Regulation Z will provide an unfair advantage to direct lenders, as many direct lenders typically package and resell loans they originate through their wholesale or retail operation. However, the disclosure requirements penalize brokers and not the direct lenders, even though we originate the same loan and the same fees, but with the direct lenders those fees are hidden.

The consumers do not know how to differentiate between brokers and lenders, as many have similar names and rely on similar advertising.

I insist that if the proposed amendment to Regulation Z should apply equally to ALL mortgage originators, not just brokers.

The yield spread premiums are often used to help first time home buyers with limited funds to obtain their American dream of home ownership, or in a refinance transaction it helps the borrower with out of pocket expenses that can be paid through a yield spread premium.

Oftentimes, when I meet a client for the first time it's very difficult to arrive to the correct loan amount and loan program. It would be unfair to suggest a 5/1ARM vs. a 30 yr fixed when the rates and the length of time the borrower wants to stay in the home can make a huge difference over the years for their monthly payment and savings. From time to time, I need more than one meeting with the clients before we decide on the program best suited to their needs and the fees. Let me ask you? How can it be humanly possible to give a precise GFE when the client is not 100% sure of which program they're going to go with and this happens in most cases?

If I could recommend to the Federal Reserve Board to consider an alternative to this proposed regulation, which would protect the consumer and would be fair dealings with the mortgage broker industry, which provides a very large part of the mortgage originations in the US. My suggestion is to have a level playing field between lenders and mortgage brokers and create a competition on price and service.

I would like to thank the Board of Governors of the Federal Reserve for considering my comments.

Sincerely,

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