

From: advancedmortgage@comcast.net on 03/31/2008 10:15:01 AM

Subject: Regulation Z

Hello,

My name is Brian Quimby, a mortgage broker in Sarasota FL. I have been a licensed broker for 8 years and have been originating for almost 20 years. I support the Federal Reserve Board's goal to protect consumers regarding the Amendments to Regulation Z, however I respectfully oppose the proposition to restrict compensation for mortgage brokers. As a mortgage broker we provide a service to both the lender and the consumer but representing neither. We provide a cost effective method for the lenders to obtain quality mortgages without the large overhead that retail lenders typically have. This allows a savings to be passed on to the customer because of the lower overhead. When you compare a mortgage broker's earnings to a retail lenders earnings it is greatly in favor of the retail lender. For example on a given day a mortgage broker can obtain a rate .25% lower for the customer than your retail banks and mortgage companies can. This is the normal case not the exception. We obtain low cost mortgages for lenders and consumers. Lenders obtain large service release premiums in some cases and do not have any extra disclosure, why should mortgage brokers be required to have an additional disclosure or not be able to receive yield spread? Lenders and brokers have competed for years but now it is even greater as some of the lenders that we originate loans for also have retail operations. Again we normally offer better rates thru the wholesale lenders than what the retail lender can offer. Any disclosure changes should be uniform for all originators, whether they are licensed brokers or originators that are unlicensed. Yield Spread Premiums allow people to purchase homes and pay no points at closing (a common practice). Eliminating yield spread causes borrowers to pay more at closing, which can be difficult for some borrowers. I believe that requiring all mortgage originators to be licensed would help with this situation, please consider that alternative before making changes. Make the requirements tougher to become licensed. It seems to me that these changes benefit the unlicensed originators which seems unfair to give those that have not met state or national requirements such an advantage. I am all for competition, but mainly our concern should be for the consumer getting the best deal while delivering a quality loan to the lender. If another lender or originator beats my quote I encourage them to go with the best deal.

Sincerely,

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