From: "Lori Saucier" <mgr1844@alliedhomenet.com> on 03/31/2008 10:35:03 AM

Subject: Regulation Z

I am a mortgage broker in Northfield, Ohio, and have been in the lending business for over 20 years. Most of my business is generated by former borrowers, referrals and word of mouth. I totally support the consumer protection goals of the Federal Reserve Board's proposed amendments to Regulation Z, but I totally oppose the proposal to restrict compensation for mortgage brokers.

Mortgage brokers act as a intermediary between borrowers and lenders and we serve BOTH parties, but represent NEITHER. I cannot fathom how disclosures for one set of customers is fair, but not for another set of customers.
There really is not any major difference between brokers and lenders. Any disclosures that are used should apply equally to ALL mortgage originators, not just brokers.

I would like to highlight a couple reasons why the proposal is respectfully opposed, especially in Ohio, my home lending state.

It is virtually imposible to provide exact dollar amounts of fees a broker will charge in a transaction prior to an application or appraisal being submitted. In almost every transaction that I have completed in 2008 I have adjusted fees and worked on getting payoff balances reduced because of the appraised value of a home and/or the customer's credit history. There are specific laws now federally and in Ohio that dictate when an application becomes an application. Providing customers with exact fees prior to knowing the prospective borrower's financial status, type of product approved, appraised value or amount of loan will only confuse the process further and provide no real value to the customer since they will not have to know up front the exact amount that the other non-mortgage broker is charging. How can this be in the best interest of the customer? Ohio has several forms that explain to the customer how we are compensated and that we will attempt to find them the most favorable loan with several lenders, but cannot guarantee the lowest rate or fee.

If mortgage brokers, but not other loan originators, have to make compensation disclosures, it will allow brokers' competitors to steer consumers away from brokers and quite possibly the more favorable loan for the customer. Additionally, small business owners will be shut down, further hurting Ohio's economy

Yield spread premiums are more than just compensation to a mortgage broker. It is a way that we help consumers pay for closing costs and sometimes make it possible for a prospective borrower to qualify for a loan. Most customers don't expect us to do our job for FREE, they understand that we are paid. It should not matter how we are paid, no matter what type of loan originator we are, as long as the customer is made aware and given all tools to make a good decision. I don't know how much the commission was made on my engagement ring; and I don't want to know, or what the surgeon received for my daughter's operation. Why is it any different for my profession? The problems that exist in the mortgage world and our economy have little to do with how I disclosed my yield spread premium.

I urge the Federal Reserve Board to consider alternatives to the proposed regulation which would protect consumers in their dealings with ALL mortgage originators and encourage competition on price and service, which is how this great nation was formed.
I want to thank the Board of Govenors of the Federal Reserve for considering my comments.

Sincerely,

Lori L. Saucier
Branch Manager