

From: "Bob Pitney" <jrpitney@aol.com> on 03/31/2008 10:35:04 AM

Subject: Regulation Z

To Whom it May Concern:

I have read the proposed rule amending Regulation Z and I would like to add my comments. I am a 42 year veteran in the Mortgage Banking/Brokerage industry, the past 32 years in Florida. Over the years, I have seen the positive effects Mortgage Brokers have had in the industry. Many deserving applicants have been able to obtain their own homes as a result of the professional manner in which their transactions are handled by Mortgage Brokers. Mortgage Brokers have to, in general, have more knowledge of our industry, than those people working for Commercial Banks, Savings & Loans, Credit Unions, etc. Why, because traditionally, they work on commission, whereas, the loan officers in the Commercial Banks, Savings & Loans, Credit Unions, etc, typically do not. For Mortgage Brokers, if you do not know the FNMA, FREDDIE MAC, FHA & VA underwriting rules & regulations, your ability to close loans is diminished. You need to be at the top of your game to be successful.

As with any industry, including Congress, there are a small percentage of bad actors who try to ruin it for everyone. To enact the proposed legislation, will effectively curtail ALL Mortgage Brokers, not just those who do not follow the rules presently in place. In the State of Florida, we are licensed and regulated. Those of us who do business with FHA & VA are audited periodically by those agencies. The last figures I saw show that Mortgage Brokers originate about 60% of all residential loans in the USA.

Mortgage Brokers have already been disclosing all of our fees, including yield spread premium, on our GFE's & on the final HUD-1. Florida State Law requires a disclosure of ALL of our fees and the title company fees be signed by the borrower, at least 3 days prior to closing. Direct lenders do not have to do this. We do not mind the scrutiny but let's be fair, what is good for one segment of an industry, is good for all segments. Please remember, it is those very lenders who designed the loan programs which have caused the immediate lending crisis we have now.

I support the consumer protection goals of the Federal Reserve Board's proposed amendments to Regulation Z. However, I respectfully oppose the proposal to restrict compensation for the Mortgage Brokers. If you eliminate the Mortgage Broker, you will keep many qualified applicants from obtaining the homes they deserve. This will have a very negative impact upon our economy, which needs all the help it can get, at this time.

Respectfully submitted,

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