

From: Joe Michaels <stm32011@yahoo.com> on 03/31/2008 03:50:06 PM

Subject: Regulation Z

My name is Joe Michaels and I am a Mortgage Broker in the State of Florida. In Florida I am one of approximately 62,000 Licensed Mortgage Brokers. In Florida we are Regulated by the Department of Finance run by Mrs. Alex Sink, who I would add comes from a Banking background.

The Department of Finance in Florida not only sets the standards by which we must all do business but they very proactive in Consumer Protection for which I am very much in favor of. I have over 16 years in the Mortgage Business and I can say that based on how the State of Florida does it both the Consumer and the Mortgage Broker win. We are required to disclose all our charges on the Good Faith Estimate and on the HUD-1 when the loan closes. Note that I said all our fees and charges,,Banks and Credit Unions do not have to adhere to that same Standard. Consumers should be allowed to compare apples to apples and under the current system only the Mortgage Brokers are willing to put their apples out for inspection. Banks and other lenders are not willing to do so.

Yield Spread Premiums are Disclosed in the Mortgage Broker Origination Agreement in Florida but not by the Banking industry or Credit Unions. Mortgage Brokers use the Yield Spread Premiums to pay some of the cost of the loan for the Consumer thereby making it possible for the loan to close and making Home Ownership Possible for one more family.

If you force Mortgage Brokers, but not other loan originators to make compensation disclosures you will inhibit the Consumer from getting the very best deal possible and I'm certain that is not your intention.

Another item I'd like to address in the Disclosure arena is this. It is impossible to give a precise dollar estimate of fees a broker will charge in a transaction even before the application is submitted because the broker does not know the the borrowers financial circumstances, transaction details, amount of loan, type of loan, the degree of difficulty, all of these things have to be considered and evaluated by the broker.

I would encourage the Fed to consider alternatives which would not only protect the consumer but make the playing field level.

I have worked very hard and run an honest business and I would hate at this point in my life to be forced to find a new career, but if you proceed down this path,,that is what I and thousands like me will be forced to do.

Thank you, Board of Governors of the Federal Reserve for taking these comments into consideration.

Sincerely,
Joe Michaels

Joe Michaels
Southern Tradition Mortgages, Inc.