

From: MIKE SISTRUNK <mike_sistrunk@yahoo.com> on 03/31/2008 06:25:05 PM

Subject: Regulation Z

My name is Michael Sistrunk and I am a mortgage broker in Tampa, Florida. I support the consumer protection goals of the Federal Reserve Board's amendments to Reg Z but oppose the proposal to restrict compensation for mortgage brokers. Our job as a mortgage broker is to serve as an intermediary between borrowers and lenders, serving both parties but representing neither. Mortgage brokers must compete with direct lenders and recently the distinctions between brokers and lenders have blurred as lenders typically package & resell loans they originate. The average consumer is unable to distinguish between brokers and lenders which have similar names, use similar signage, and rely on similar advertising.

The rules for disclosures should apply EQUALLY to ALL mortgage originators, not just brokers.

The use of yield spread premiums are much more than just compensation, they are also used to pay certain costs of the loan and facilitate the loan transaction. Requiring brokers to disclose compensation and not originators will allow originators an unfair advantage and will have them steering consumers away from brokers, even if brokers offer more favorable loans.

It is impossible to give a precise dollar estimate before submitting an application because the broker doesn't yet know the borrower's financial status, transaction details, type of product sought, or amount of loan, all of which may vary as the transaction progresses. The Fed should consider alternatives to the proposed regulation which would protect consumers in their dealing with ALL mortgage originators to encourage competition on price and service.

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

Sincerely,
Michael Sistrunk