

From: "Pfeil, Mike" <mike@myapexonline.com> on 03/31/2008 09:00:04 PM

Subject: Regulation Z

Loan Officer/Branch Manager: Michael E. Pfeil

Branch Location: Maryland

RE: Docket No. R-1305

Dear Board of Governors,

As a mortgage broker for the last seven years, I have always been a proponent for consumer protection. I am however against unnecessary legislation that complicates the already cumbersome home loan process. I also disagree completely with any amendments to Regulation Z that would in essence harm the borrower by eliminating Yield Spread Premium ("YSP"). I am also against any legislation that implements any legislation that has language requiring mortgage brokers to act or comply any differently than mortgage lenders. YSP is much more than compensation when used properly. Rather than discussing eliminating YSP, we should be discussing "total" compensation.

In recent years with the secondary market, packaging of loans and the securitization of loan pools, mortgage lenders are in essence "Super" brokers and only a lender by definition and not so much by actions. In most cases, a lender can act as a "lender" and refer to themselves as a lender, close the loan in their name, but prior to settlement have the loan sold and not retain servicing rights. What makes this mortgage lender any different than a mortgage broker? If lenders should be treated differently, then why has one of the largest lenders, Countywide Home Loans, been blamed for so much of what has taken place? They are a lender – not a broker.

The idea that any fees can be given exactly at the time of disclosure is possible, but some leeway is always necessary. I think the current laws requiring re-disclosure for variations too great already work and do not need to be changed. There just needs to be more enforcement of existing laws. There are many things that can happen during a loan process, but re-disclosure and enforcement of proper re-disclosure are necessary.

My suggestions to proposed legislation are these: 1) YSP must stay in the industry; 2) Lenders and brokers are viewed the same and follow the same rules; 3) Possibly reduce the current "Total" compensation from 7.99% to 4.99% of the loan balance; 4) Enforce laws already in place to account for gross variations in initial disclosure to final disclosure.

I want to thank you for your time and am available in person to discuss any proposed changes to the mortgage industry.

Michael E. Pfeil
Apex Lending, Inc.
1250 Brass Mill Road, Suite 5
Belcamp, MD 21017
410-272-6666 X 106