

From: Pamortgagegroup@aol.com on 04/01/2008 08:50:04 AM

Subject: Regulation Z

TO WHOM IT MAY CONCERN:

I AM A MORTGAGE BROKER IN LITITZ, PA. THE NAME OF MY COMPANY IS PENNSYLVANIA MORTGAGE GROUP.

I AM ALL IN FAVOR OF MORE PROTECTIONS FOR CONSUMERS, AND THE AMENDMENTS TO REGULATION Z.

WHAT I AM CONCERNED ABOUT IS THE PROPOSAL TO RESTRICT A MORTGAGE BROKERS COMPENSATION.

AS YOU KNOW THERE ARE BAD ACTORS IN EVERY PROFESSION, THE PROBLEM IS THERE ARE ALOT OF US MORTGAGE BROKERS OUT HERE WHO REALLY HAVE TAKEN THE CONSUMERS INTEREST AT HEART.

MY JOB AS A MORTGAGE PROFESSIONAL HAS AND ALWAYS HAS BEEN TO EDUCATE EVERY CONSUMER, AND TO GIVE THEM THE BEST OPTIONS AVAILABLE.

IF A LOAN IS NOT RIGHT FOR AN INDIVIDUAL OR THAT LOAN THAT THEY ARE PURSUING WILL NOT HELP THEM, I ADVISE MY CUSTOMERS THAT I CANNOT DO THE LOAN IN GOOD CONSIENCE.

MY JOB IS AS A MORTGAGE BROKER IS TO ACT AS AN INTERMEDIARY BETWEEN LENDERS AND BORROWERS, AND FINDING THE RIGHT MORTGAGE THAT SUITS THEIR NEEDS.

AS A MORTGAGE BROKER I HAVE TO COMPETE WITH MORTGAGE LENDERS, WHO GET COMPENSATED EVERY TIME THEY SELL AND REPACKAGE A LOAN THEY ORIGINATE.

WE AS MORTGAGE BROKERS GET PAID ONE OF TWO WAYS, EITHER BY CHARGING A BORROWER A BROKER FEE, OR YIELD SPREAD PREMIUM WORKED INTO RATE.

I GIVE EVERY ONE OF MY CUSTOMERS OPTIONS, AND EXPLAIN CLEARLY HOW I GET PAID SO THEY CAN MAKE AN INFORMED CHOICE.

LENDERS ON THE OTHER HAND DO NOT HAVE TO DISCLOSE YIELD SPREAD OR THE MONEY THEY GET WHEN THEY REPACKAGE AND SELL THE LOAN.

IF WE ARE GOING TO DISCLOSE IT MUST BE FOR ALL NOT JUST BROKERS.

LENDERS DO THE EXACT SAME THING WE DO, EXCEPT THEY HOLD AND SELL THE LOANS TO MAJOR BANKS,

BUT ALL ORIGINATING IS DONE THE SAME WAY.

DIRECT LENDERS IF THIS GOES THRU WILL STEER CUSTOMERS AWAY FROM BROKERS EVEN THOUGH THE LOAN THE BROKER IS GIVING WILL BE MORE BENEFICIAL.

THE REASON FOR THIS IS THEY WILL NOT HAVE TO DISCLOSE THEIR COMPENSATION AND IT

WILL LOOK LIKE THE CUSTOMER IS PAYING LESS.

ALSO THERE IS NO WAY FOR US TO GIVE A PRECISE DOLLAR ESTIMATE OF FEES PRIOR TO TAKING A FULL APPLICATION AND CALCULATING PAYOFFS AND PULLING CREDIT THEN WE CAN PUT TOGETHER AN ACCURATE GOOD FAITH ESTIMATE.

OTHERWISE WE ARE JUST GUESSING AND PULLING NUMBERS OUT OF THIN AIR.

IT IS MY HOPE THAT YOU WILL FIND ALTERNATIVES TO PROPOSED REGULATION WHICH WOULD PROTECT CONSUMERS AND ENCOURAGE COMPETITION AND PRICE.

THANK YOU,
CHARLES MODICA
PENNSYLVANIA MORTGAGE GROUP, INC.
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