From: "psmoot" <psmoot@tampabay.rr.com> on 04/01/2008 10:00:04 AM

Subject: Regulation Z

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Regarding the proposed amending of Regulation Z

My first concern is that all the recent legislation regarding the Mortgage Industry is directed at independent Mortgage Brokers and that we have much stronger regulations and standards than the Banks or large lending institutions. In our state we are licensed, we have continuing education requirements and our state laws are in many cases stronger and more protective of the consumer than Federal, however the banking institutions are not governed by our state laws. In Florida, consumers have more protection by using Mortgage Brokers.

We hope that in the future as with the Insurance Industry, ALL originators MUST be licensed.
In Florida, we already disclose to the best of our ability a Dollar figure, not % of yield spread premium expected on a loan transaction on our Mortgage Broker Agreement. A follow up disclosure is made when a lender loan commitment/approval is made and we have the terms by which the lender agrees to make the loan. Credit score, ability to repay, borrowers on hand funds for closing costs and escrows all play a part in deciding the best options for the borrower. All those factors must be verified.
Many times a borrower asks that an origination fee be reduced and accept an interest increase for the lender to pay the broker fees (YSP) allowing the borrower to use their funds for other closing costs such as escrow requirements and Home Owner Insurance.

Disclosures are already required on both the GFE and HUD 1 and on the Broker Business Agreement Contract, but only of BROKERS not other originators. Let's have legislation that governs all originators.

I am in this business to build client relationships and gain referral business from satisfied consumers who know I work for them and offer personalized service from start to closing. I process my own files, I am doing everything I can to find great rates and swift processing to complete all transactions efficiently.
My motto is “a stress free transaction to finance your dreams”. That’s the goal. And yes, to earn a living.

Clients all have the right to comparison shop, it’s the American way, terms and interest rate are the easiest for the consumer to understand and compare. The Truth in Lending or an amortization schedule will clearly show what a Lender is offering. They want to know what are the up-front costs and what will the payment be. Compare away! I embrace competition on price & service.

I want consumer protection from predatory lending and I want to see honest, ethical lending practices by all in the profession of lending or brokering loans. I don’t believe this new legislation is necessary but I would hope ALL lending rules apply to ALL originators and hope your actions will help give this industry a level playing field.

Many thanks to you for considering my comments.

Sincerely,
Pat Smoot