

From: "Dianne Cutter" <DiCutter@strategichomecapital.com> on 04/01/2008 11:10:03 AM

Subject: Regulation Z

Dear Sir Or Madam,

I would like to comment on my the Proposed Rule Amending Regulation Z. As a mortgage broker owner/ Sr Loan Processor, I find that consumers are being misled by originators mainly lenders who are not required to disclose the monies that are being made on the back of the loan.

By targeting mortgage brokers and not all originators is a injustice to the overall consumer. Even with a thorough interview with a client upfront, many times the documents that are received and submitted to processing do not always support the initial interview so how can we as brokers still provide the client the best possible rate if we are required to upfront tell a client exactly what we will be making on the loan. This eliminates our ability to shop on behalf our the consumer. We as brokers can alter our fees based on the borrower's closing needs. For example if a home buyer is short of the required funds to close then we can negotiate a higher interest to rate to pay for their closing costs which is all disclosed properly on the hud-1 settlement statement. and on the good faith estimate prior to closing. Obviously they must still credit qualify to meet necessary underwriting guidelines.

I know of loan officers working for lenders that now have started retail divisions to bring in loans to sell to investors and their borrowers are limited only to the programs that specific lender has in place. Lenders are not the angels of our industry. I strongly believe that all originators should be registered in a database so loan officers whether or not they work for lenders or brokers can be held accountable for unscrupulous acts.

I am a strong opponant of proper consumer disclosures, I just do not believe that the proposed amendments to restrict compensation for mortgage brokers is making things better for the consumer. In my opinion all originators/lenders should be held equally accountable in all upfront disclosures and they should also not be able to hide their compensation and should have to properly disclose on the hud settlement statement their compensation as well.

Kindest Regards,

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