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Subject: Regulation Z

My name is Wanda Saporito and I own a small mortgage company in Florida. I have been in this industry for over 22 years and I am proud to say that I have always treated my customers fairly, but I do recognize that everyone is not the same.

The above noted Proposed Fed Rule Impedes Brokers' Ability to Compete and Hurts Consumers

The Board of Governors of the Federal Reserve System recently proposed amending Regulation Z, which implements the Truth in Lending Act and the Home Ownership and Equity Protection Act.

The proposed Fed Rule would put in place some useful consumer protections, but it also would impose significant burdens on mortgage brokers. In particular, the proposed Fed rule would require brokers, but not other mortgage originators, to disclose the specific dollar amount which the broker would earn from a transaction, including yield spread premiums. That disclosure would have to be made *before* the consumer paid any fee to any person, *and* before submitting an application. Brokers may only receive compensation disclosed in that manner. If there is no such disclosure, the mortgage brokers cannot be paid by any amount by any party, lender or borrower.

While generally I do support the need for the consumer protection goals of the Federal Reserve Board's proposed amendments to Regulation Z, but respectfully oppose the proposal to restrict compensation for mortgage brokers. I know of NO other industry that has to disclose every penny they earn on a transaction, wholesale or retail, to the consumer. While I have no problem with disclosing, as I do earn my income through expertise and knowledge, assistance to the borrowers, etc. it is extremely unfair and confusing to the consumer. How do we ever expect them to compare when we are not ALL disclosing the same? I have questioned many borrowers and none of them care what a fee is called, just what is the bottom line cost and payment for them. Nor do they care that we earn money for our services. The services that mortgage brokers provide as an intermediary between borrowers and lenders, and the value the broker adds in the real estate transaction by serving BOTH parties, but representing NEITHER, is worth what is paid.

In placing mortgage brokers in competition with direct lenders, EVERYONE who works with a consumer to originate a mortgage should have to use the SAME format and disclose the same fees. If nothing else, legislation should INSIST that any disclosures apply equally to ALL mortgage originators, not just brokers. If we show what we earn, then the banker should have to disclose what they earn when they package and resell loans they originate. It is NO different, it's just called by a different name in the secondary market. Again, consumers are largely unable to distinguish between brokers and lenders, which have similar names, use similar signage, and

rely on similar advertising.
Respectfully submitted,
Wanda Saporito