

From: "Vicki Moletteire" <vicki@smsorlando.com> on 04/01/2008 12:50:03 PM

Subject: Regulation Z



My name is Vicki Moletteire and I own Synergy Mortgage Services, LLC in Oviedo, Florida. I am proud to say that my company is woman owned. My partner and I have 20 years experience in the mortgage industry. I personally hold a Direct Endorsement Underwriter ID for FHA loans.

I support the Federal Reserve Board's consumer protection goals, but respectfully oppose the proposal to eliminate yield spread premiums for brokers. I operate my business in Florida. Our state guidelines are some of the strictest in the country. We disclose our yield spread maximum in dollar amount at application via the Florida Mortgage Broker Disclosure and Good Faith. We then have a final version of the Good Faith signed 3 days prior to closing with the exact dollar amount of premium. This disclosure began in 10/07. We have adapted and worked with this procedure. We have disclosed our profit margin upfront to consumers while our bank competition has not. We then disclose our exact profit to the consumer prior to closing. I don't know of any other industry that does this? Some of the proposed legislation puts my 20 year career and my minority owned business at risk. I have a successful operation with satisfied past customers.

I worry that there is a bias forming against broker assisted transactions. As a broker, I work closely with mortgage lenders helping them to solicit their products and pricing. Through me, they are able to reach more consumers and generate more business. As a result, I have a better variety of pricing and products to offer consumers (from many lenders). Many of my past customers chose me because I am licensed and have nearly 20 years experience. Many of the loan officers working for banks in my area are strictly a trained sales force. My customers want a licensed professional to assist them with their most important financial decision. It also disappoints me that many banks are receiving business by creating joint ventures or paying excessive desk rental fees while we are earning ours one referral at a time. My small business competes directly with these banks. Although we sell our mortgages at the closing table, it is important to point out that most banks are also packaging their loans to resell and the disclosure process is totally different. Consumers really do not know the difference between broker or bank in my area. But, I can assure you that they do pay attention to the fact we are licensed.

I would ask that the playing field for originating mortgages be leveled. Banks as well as brokers should have to disclose to consumers the costs of the transaction using the same forms. It would be very unfair and confusing to the consumer if one set of forms applies to the bank and another to the broker. We may have an unfair advantage just because the bank is a more streamlined application process. This does not mean the consumer is getting the best deal though.

I have to tell you that when working to create an estimate and compete with a local bank, my pricing and my service typically earns me the business. Following through at closing with a consistent rate and costs earns me their referrals. Yield spread premiums are not just used for profit. They are used to play closing costs and eliminate points charged. Cap the amount if you need to, but eliminating yield spread or service release premiums (banks) will just create the need to charge the consumer more.

Please consider alternatives to the proposed regulation which would protect consumers in their dealings with anyone that is originating a mortgage and encourage competition on price and service. It is unfair to require certain members of an industry, specifically small business, to disclose profit but not require the competition (banks) offering the same product/service to do the same. I am willing to disclose my profit margin and maintain my valid state license. I encourage you to require the same of anyone originating mortgages. Thank you to the Board of Governors for considering these comments.

**Sincerely,**

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