

From: "Joe Giampetroni" <joeg@tmsusa2.com> on 04/02/2008 10:15:02 AM

Subject: Regulation Z

Gentleman,

I applaud your efforts in recognizing the need for regulation in the Mortgage Banking industry.

I am dumbfounded as to why you would regulate one branch and not the other in loan originations. As a broker who employees 6 people, I am very worried about the, hopefully, unintended consequences of an unlevel playing field. If your intention is to get rid of brokers then your doing a good job.

Over the last several years my primary competition in securing mortgages for clients was Countrywide, Wells Fargo and Chase Bank. Clients could go into the retail outlets and apply for loans directly with the lender. I loved this because I was able to beat their rates on average by one quarter to one half percentage points.

I dealt with all these lenders as a broker. The disclosures are quite specific already in Maryland on how I, as a broker, am compensated. People are only interested in the interest rate and how much it is going to cost. If I could provide a lower rate and charge the same amount as a lender then why not go with me. Your proposed changes will confuse that line because my competition will not have to disclose any income on their side. They will be able to "hide" the cost of loan from the consumer and this legislation is driving them right towards the lender.

Regulating us on merit, education, certification, audit lending practices etc are fine. Regulating disclosure information is fine BUT MAKE IT EQUAL FOR ALL PARTICIPANTS!

Countrywide and dozens of other "lenders" are out of business. Hundreds if not thousands of brokers are out of business already. The ones left standing are just holding on and we are here because we did conduct business in the right way for our clients. Please do not place any more onerous impediments in our way. I and my employees have families to feed.

Another comment on this proposed legislation. Besides being unfair in not regulating all participants in the loan originating process, it is counterproductive to a transparent loan process.

Current regulations and disclosures require I tell the client how I am compensated, where the money is coming from. This part of the process is done PRIOR to loan approval. I do not know, especially in today's environment, how their credit will score and what rates they will qualify for. How can I give them an exact number?? If I anticipate one scenario and it doesn't happen the client becomes confused, angry, disillusioned...If I anticipate higher numbers to be safe the client may not even proceed to do a loan. Your intent is understandable but your execution is horrific.

Either keep the current disclosure regulations or make the playing field level for brokers and lenders so the client receives the same information and has the same experiences otherwise you will put all brokers out of business and cause the public to spend more money for loans because there will be less competition.

Thank you for your efforts and for listening.

Joe Giampetroni. Branch Manager

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