

**From:** "DFI MORTGAGE" <dfibill@charterinternet.com> on 04/01/2008 01:25:04 PM

**Subject:** Regulation Z

To: Board of Governors of the Federal Reserve System

From: Diehl Financial, Inc (dba) DFI Mortgage Elkhorn, WI 53121

Re: Proposed Rule Amending Regulation Z  
"Docket No. R-1305"

Dear Governors,

The proposed legislation, on the surface sounds good. However there are already many forms of consumer protection already on the books. (The GFE, HUD-1 and Broker Discloser / Compensation, to mention the most obvious.) Mandating that only Loan Originators be required to execute the purposed form is unacceptable.

Brokers, such as the big old banks are already licking their lips in hopes the FRS will eliminate every Loan Originator currently conducting business with HONEST work ethics in this market place. Requiring MLO's to disclose fees that may change after we run a credit report or find less than desirable income or cash reserves just doesn't make sense. With our compensation already being scrutinized much more than the larger institutions cause me to believe the banking industry's lobbying has paid off for them. Unless, of course, this legislation is intended for any and all mortgage loan originators and mortgage brokers regardless of their station in business, which I doubt.

I fully support the changes that have been implemented by the FRS that directly protect the consumer when they purchase their homes. I have seen many unscrupulous mortgage providers close their doors. However the idea of not allowing any compensation because of the unknown background of a potential customer is restrictive, unfair, and unrealistic and has the potential of looking as if the FRS is in the back pocket of the banking lobby and is working directly for the bankers to eliminate any and all competition.

Please remember that loan originators have placed more families in their houses than any other institution. We are guided by the underwriting guidelines that are dictated to us by the end lender, Fannie Mae, Ginnie Mae, FHA and others. Our job is to find the correct loan for our customers at the best interest rate available. Our compensation should not be eliminated because of unknown factors and the FRS should not pass this new legislation.

Enforcement of the current rules is the answer, not more rules. Public education would solve a lot of problems. Having disclosures doesn't mean much if the consumer is uneducated. Offer online courses IN PLAIN language so the new home buyer can learn for themselves what to look for. Home-Buyer's aren't nearly as stupid as some would believe. Given the details of home buying they will learn and an educated buyer is less likely to be sucked into a bad deal.

The problem with the mortgage market isn't because of the loan originators as much as it is from greedy lenders and poor underwriting guidelines.

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