

From: "Dorothy Dumnich" <DDumnich@cox.net> on 04/02/2008 01:55:01 PM

Subject: Regulation Z

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I work in the mortgage industry as a Mortgage Broker. I am writing in support of consumer protection goals established by Federal Reserve Board's proposed amendments to Regulation Z, but I respectfully oppose the proposal to restrict compensation for mortgage brokers.

Most large markets are the same as the one I serve in Arizona. The duties of a loan officer are universal regardless of whether they are employed by a mortgage broker (broker) or mortgage banker (banker). They are compensated the same, and generally read from the same rate sheets. The key distinction is the loan officer working for a Broker must disclose the potential yield spread premium income and the loan officer working for the banker does not. The consumer is unable to distinguish between the two so why is the Federal Reserve creating an unfair playing field? If it is a great idea to disclose to the consumer all aspects of the transaction including compensation, then why is it only required for mortgage brokers? If this concept is of such high importance in protecting consumers then why does it not apply to everyone across the board? This disparity creates the illusion that the terms the broker is offering the borrower is somehow over and above what the banker charges or earns. This proposed amendment creates less competition and allows bankers to steer consumers away from brokers that in many cases can offer more favorable terms.

The new requirements of giving a precise dollar estimate of fees a broker will charge in a transaction even before an application is submitted is impossible. There are too many variables that affect the terms of a loan such as; type of loan, dollar amount of the loan, sales price, financial status, all of which are unknown until the transaction progresses.

I hope that the Federal Reserve Board considers alternatives to the proposed regulation. I believe the market place works best with competition on price and service. If protecting the consumer is the main focus, then disclosures should be the same for all originations and originators.

Thank you for considering my concerns.

Sincerely,

Dorothy Dumnich
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