

**From:** "DeAnna Williams" <deanna@onpointmort.com> on 04/02/2008 01:55:02 PM

**Subject:** Regulation Z

My name is DeAnna Williams and I own and operate On Point Mortgage, a Brokerage in Tacoma, WA.

I understand and appreciate the Board's proposed amendments to Reg. Z to protect the consumer [our borrowers], but I take issue with the proposal to restrict my compensation. This restriction will have a chilling affect amongst the brokers and ultimately to the borrowers' interests. Currently, when we act as an intermediary between the borrower and the lender we add value to both parties. Those employees at specific lenders do not and will not act on behalf of the borrower, because they are have no interest in the transaction other than their job or the interest of their company at hand. Therefore, keeping the broker as just that "A Broker" allows us to work with the borrower to educate them with many of the products and lenders that are available and that suit their needs, without the pressure from the lenders. In my experience, I bank at a local institution and have sampled their Loan Officer's abilities, product knowledge and offerings and find that I am always saving money for my borrowers and have vast understanding of the market; not just their product. This is a real-life experience which occurs everyday and will become more prevalent in the future if brokers were not part of the market. Remember, we represent neither, therefore beholden to neither! If we are monitored and regulated appropriately, most of us will continue to do the right thing because we would like to stay in business; which is the strongest forces to keep most of us doing the right thing for all borrowers.

I am generally aghast at the movement to blame Mortgage Brokers for all the problems in the industry, when it does not take a rocket scientist to see the larger problems have occurred with large institutions who are currently being investigated (i.e. Countrywide, WAMU, etc..). Their mortgage originators call me on the phone weekly at my residence and tell me things that are half truths and/or untrue in the industry and are generally not held accountable. They still do not have to comply with my state's licensing law (Mortgage Brokers Practice Act) because they are federally regulated; why should they not be licensed??? In addition, shouldn't all mortgage originators have to comply with the same standard? Specifically, I believe that if the same disclosures applied to all, then the borrowers' [consumers'] interest will be much better protected.

Currently, I want to go on record to explain that yield spread premiums are much more than just compensation. I do not always get a yield spread premium for my pocket, sometimes it has to be utilized to allow a borrower to close a loan or refinance without any additional money out of pocket since many in this day and age do not have a vast amount of savings. Other times, I do not get paid by the borrower at all, but I can still connect the borrower with the right program and lender to fulfill all wishes and get compensated by the Yield Spread Premium. Currently, lenders who originate loans do not disclose a yield spread premium, but sell the loan immediately after closing it and this simple fact confuses the borrower; even though I beat the other lender's rate, thus saving them thousands over the life of the loan, my borrowers are looking at the yield spread premium like it is their money, even though they are not paying it. I

think it is as simple as this, when you go to a store to buy a pack of bubble gum for \$1.00 there are no stores forced to display that it only cost them .50 or that by selling a volume of this particular brand of gum that the store is getting compensated by those sales. It should be an equal playing field for all mortgage originators; the borrower wants a loan we should offer a rate for their money and show them the fees associated with that loan and then produce an APR (disclosed in the TIL), which shows them the real cost of the loan for comparison. By creating and enforcing the same rules for all, it will make it easier to eliminate some of the ridiculous marketing that occurs and confusion that continues to exist.

I ask any of the members of the board to answer this question, “If lender X offers you a 30 year fixed rate loan for \$250,000.00 with a rate of 6.0% and an APR of 6.25%, then you meet with a mortgage broker who offers you a 6.0% rate with an APR of 6.15% with all other things being equal who should you go with?” Now, add that the broker is getting a yield spread premium that needs to be disclosed of .765% of \$1,912.50 and the other lender does not, are you now confused? That is what is currently happening! I am saving the borrower over the life of the loan, but they get confused because I have to disclose the YSP of \$1,912.50 and they state that the Bank or lender X does not get that money on top of what they are paying why should I get paid? Lender X can charge them more and then sell the loan for additional money and the borrower has now paid more for exactly the same deal; that is ultimately the problem that I have with mortgage brokers having to disclose yield spread premium when others do not.

Ultimately, I believe that amendments can and should take place for the protection of the consumer, because I am one as well. However, by placing a fair and consistent regulation upon all mortgage originators would be the best for all parties involved.

Thank you for your time and consideration of my comments.

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