

From: Pclagunarealty@aol.com on 04/01/2008 03:50:04 PM

Subject: Regulation Z

Paul Cairo Delray Beach, Florida

I would like to start with expressing my support to the proposed amendments to Reg Z . I, however respectfully disagree with proposed restrictions of compensation for mortgage brokers. Mortgage brokers are the liaison between the lender and the borrower, and have a responsibility to convey the regulations that are in place without representing either. Lenders as well as brokers, in today's society, act as a intermediary because most lenders sell off the loans, that they write, to the secondary market. So in my estimation both parties are intermediaries and there in lies my reasoning for disagreeing with the mortgage broker status taking the responsibility for the new proposed restriction of compensation without imposing the same restrictions to the lenders. If they feel this will help then all parties should have the same guidelines for a benefit to reach the consumer. I, personally do not feel, that is what caused the problems that this country is faced with respect to the mortgage industry presently. How does the consumer distinguish between Lender and Broker when all the advertising, signs, names are so very similar. All disclosures should apply to all loan originators not just brokers. Please understand that yield spreads are not just compensation to the broker but also part of the funds generated to pay the costs and make the loan happen. If this playing field is not even for all originators then effectively, by making the broker disclose up front, and not all originators, the consumer would be driven away from the broker, even if they have the better deal for the consumer, given an unfair advantage to the some, and the consumer suffers. So where is the benefit to help Americans, I just don't see it. What I do see, is that by making all these up front disclosures, prior to application, how is a broker able to properly quote before knowing the proper financial status, product type available and selected, and amount of the loan, which could all vary. Thank you to all the Board of Governor's of the Federal Reserve for taking the time to consider my comments.

Thank you Respectfully yours Paul J. Cairo