

From: "Mike Casinelli" <mcasinelli@mtgresource.net> on 04/01/2008 05:40:04 PM

Subject: Regulation Z

I totally support consumer protection laws but respectfully oppose the proposal to restrict compensation for mortgage brokers. I have been involved in consumer and mortgage lending for 30 years and have helped thousands of customers realize the dream of home ownership. I provide my customers with the information to make an informed decision and it is provided in writing. I go over it with them to ensure they understand the available options. I monitor the marketplace and align my company with competitive lender programs. I act as an intermediary for the borrower and lender and provide a valuable service to both but represent neither.

We compete with direct lenders. The disclosure rules must be the same for both and not more restrictive for broker and loan originators that work for brokers. I have encountered direct lenders (banks) that offer higher rates to my customer but lower origination fees. They do not explain both options to the consumer. The consumer has the option to decide on an origination that would have higher fees and a lower interest rate or higher rate and lower origination fees. I explain both options to the consumer. Direct lenders try to lead the consumer to the higher rate option and not present the alternative. All lenders, banks and brokers, should be treated the same on disclosure issues.

With the ever changing world of mortgage lending, lenders are altering programs and pricing daily. It is virtually impossible to give a consumer a precise dollar amount of fees charges and yield spread to be earned at the time of application. We don't know what program is best suited for them, if they qualify for a particular program, if there are pricing adjustments to base rates by the lender due to credit risk, loan to value, etc. The loan is not even locked at time of application so how can we disclose a precise fee income? There are other factors that come into play that I have not noted.

I recommend that the Federal Reserve consider alternatives to the proposed regulation which would protect consumers in their dealings with all mortgage originators (brokers, banks, credit unions, etc) and encourage competition on price and service.

Thank you for taking my comments into consideration.

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