

**From:** podom22@aol.com on 04/04/2008 09:35:02 AM

**Subject:** Regulation Z

I am a licensed mortgage broker in Aventura, Florida and have been originating mortgages for nearly 5 years. I thank you for taking the time to resolve the ongoing issues in the mortgage industry. I appreciate the time you took to prepare the changes to Regulation Z however; I respectfully disagree with some of the proposed actions. Most notably I do not think it benefits consumers or the mortgage industry to restrict compensation for mortgage brokers. Restricting mortgage broker compensation will force many seasoned, qualified professionals to leave the industry and reduce competition. A mortgage broker is a conduit of mortgages for both the lender and homeowner. Mortgage brokers add value to both lenders and homeowners. Most borrowers don't have time to talk to many different banks and receive quotes for loans. A mortgage broker forces lenders to compete for their business and therefore lower the costs associated with a mortgage. On the other hand mortgage brokers assist lenders in finding qualified borrowers to work with and lower their marketing and fixed costs.

Mortgage brokers and lenders both originate loans and should be held to same standards. I have heard from many of my clients that it is becoming increasingly difficult to distinguish between direct lenders and brokers based on their marketing material. I think we can all agree the objective of Regulation Z is to assist homeowners. Only requiring Mortgage brokers and not other loan originators such as direct lenders to follow all the terms of Regulation Z will not lead to a more informed borrower. For a borrower's protection and easy loan comparison all originators should give the homeowner the same form to review and compare apples to apples.

Yield Spread Premium is an important tool used by brokers to assist homeowners. Yield Spread Premium lowers the costs of home financing for homeowners. I have many times in the past used Yield Spread Premium to cover the finance expenses a homeowner would normally have to pay. This tool allows more borrowers to purchase homes and enhances a borrower's loan options therefore increasing homeownership.

I do agree that a borrower should know the total costs associated with their home loan. However; it is impossible to determine an exact amount before a full application is submitted. There are too many variables not yet known just to name a few for example:

- Market value & condition of the subject property
- Borrowers financial status
- Loan Type
- Loan Amount
- Rates changing daily in financial markets due to supply & demand

There are many other variables that will not allow accurate and precise details to be given before

a full application is taken.

In order to protect homeowners there needs to be some changes made in how loans are originated. I feel regulation and tougher restriction for the loan officers are what's needed in today's marketplace. All loan officers should be required to meet certain educational, moral, and experience requirements before quoting any detailed loan information and originating loans. The past few years many unscrupulous loan officers began originating loans for direct lenders and mortgage broker businesses without needing any personal licensure. There needs to be tougher qualifications and minimum standards set forth for all loan originators, direct lenders and mortgage brokers. Florida State requires personal licensure for mortgage brokers however; they do not for originators of direct lenders or correspondent lenders. This imbalance does not protect homeowners and leaves the door open for unscrupulous activity to take place by loan officers working for direct lenders & correspondent lenders. I strongly feel that the key to resolving the problems the mortgage industry now faces is to impose tougher requirements for personal licensure for all originators mortgage brokers and direct lenders.

Thank you for all of the effort you have put forth to help resolve the housing crisis our great nation now faces. I appreciate your time and consideration in reading this letter.

Sincerely,

Matthew Podolsky