From: "Mark Vanderpool" <mark@gshomeloans.com> on 04/04/2008 01:15:02 PM

Subject: Regulation Z

E-mail Subject Line:

To: The Federal Reserve Board
E-mail:
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From: ______________________________
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Dear Federal Reserve Board,

Please take the time to read my responses.

The proposed changes to Reg-Z require that brokers, and only brokers, provide consumers a binding, written disclosure of the total dollar amount of their compensation (including YSP, Origination Fees, Processing Fees, Underwriting Fees and all other fees earned) prior to application. Requiring only brokers to provide such a disclosure will confuse and harm consumers who will mistakenly believe that lenders who don't disclose their compensation are saving them money.

The disclosures we send out are confusing enough for most clients, so let's not confuse them anymore. For the Banks and Mortgage Bankers who do not have to disclose all fees or profits is an unfair advantage, and is misleading to the clients. To make a level playing field for all parties involved, you should impose the same guidelines regardless of the corporate structure. The public should have many options where they want to take their business. If you make the disclosures are the same for everyone, clients will be able evaluate which is best for them. They should not make a decision on what may appear to be a better option, from potentially misleading information. California already has several guidelines we have to follow, why not take a lot of those which are already created and implement them into other states.

Requiring brokers to disclose their total compensation as a dollar amount before application will also lead to seat-of-the-pants service estimates based on partial information. A Mortgage Broker will be required to blindly, without adequate underwriting criteria, disclose to a borrower their total dollar compensation for a given loan without the opportunity to make adjustments based on unforeseen circumstances.

You can't ask anyone to disclose information without giving them opportunity to research the loan programs, rates and adjustments. They are or should be looking to see what is best for the client. Every client and every loan is different. You must also keep in mind these are only estimates. Until the client has committed to move forward the rate can always change, up on down. You must give the loan officer time to shop and see what is available for them. We are not a bait and switch industry and they should not be treated or led to believe our industry works that way. We are required by law to send them a good faith within three days which gives them plenty of time to review the documents. Remember most loan closings happen in 15-30 days.

The proposed changes to Reg-Z dictate harsh underwriting guidelines for a new class of higher cost loans, those with APR's that exceed comparable treasury yields by a certain margin: 3% above for first mortgages or 5% for second mortgages. The proposed triggers are far too inclusive and will subject many Jumbo, Alt-A, Agency-Jumbo and FHA loans to these new guidelines, preventing credit worthy borrowers from obtaining financing.

Just like our Country and all the different Nationalities we have here, you must have different loan programs available to help everyone. Some of these programs are important to credit worthy borrowers, who perhaps couldn't get a loan otherwise. Just because you went to a baseball game and didn't like the outcome, you can't say I will never go to a baseball game. Or here is one better, because the individuals who attached The World Trade Centers were Muslims, that all Muslims are bad people Several individuals who are self employed write off everything but the kitchen sink, and then they try to find away to write it off. These individual are usually very sound minded, are the back bone of America and understand the benefits of being self employed. They also are aware that because they can't prove their income they will have to pay a slightly higher interest on their loan. The fact that we are going through a credit crunch doesn't mean the system is broken. Yes, I agree it may need some updating and implementation of some new rules and regulatory oversight, but the world is not coming to and end.

I think the Federal Reserve Board should really listen to what t is saying.

Thank you,
Mark Vanderpool
"your mortgage consultant for life"