

**From:** "Mark Bennett" <mdbennett@residencemortgage.com> on 04/04/2008 03:40:03 PM

**Subject:** Regulation Z

Dear Sirs and Madams of the Federal Reserve:

My name is Mark Bennett. I have been a mortgage broker in Issaquah, Washington for 10 years. I own and run a small mortgage broker company called Residence Mortgage Corp.

I am all for regulations that will drum out the very many scum bags in my industry. The State of Washington took great steps this past year to license all loan originators, and it was long overdue.

Your recent proposal (captioned), while helpful in some ways, goes too far and in the wrong directions. It will effectively put me out of business. I provide great value and service to my clients through a smooth loan process, great interest rates and reasonable closing costs. Our tag line is, "On time, No Surprises." I am in business, because despite their great capital, retail branches and extensive advertising, most banks don't do a very good job providing mortgages in terms of service and value. We do it better, because it's all we do, and we do it without all the overhead. I do next to no advertising - my business comes from word of mouth and repeat clients - and I've been in business 10 years!

Retail banks may not like that brokers have taken away a lot of their business, but it's their own fault for not serving their clients properly. In addition, many of these banks sell their mortgages, not unlike the way mortgage brokers and the wholesale lending channel.

I answer to both the borrower and the wholesale lender, but I do not represent either one, which provides an excellent check and balance.

I have never had a loan I originated and closed go into default, but it is not reasonable to expect the broker to be responsible for the loan repayment in the absence of fraud (if the broker commits fraud, absolutely make the broker responsible). The wholesale lender makes its return and incurs the risk of default. It's why we have such extensive underwriting guidelines.

I know a lot of mortgage brokers are crying foul over the upfront disclosure of fees. I think the upfront disclosure of broker fees is just fine. No problem with it at all as long as it's done on a locked rate AND the customer can't just walk away after we mutually commit by locking the interest rate. Locking the interest rate costs time and money and abandoning locked interest rates plays havoc with the secondary market to the point that if it happens enough, NO ONE WILL BE ABLE TO LOCK INTEREST RATES which not in the best interest of the public in general. If you do not understand this concept, you would do well to make the time to learn, because it's very important. I do feel, however, that banks should have to follow the same fee disclosure, including the yield spread premium.

I am available for questions if you like. I am about as good example of an honest, small residential broker as you will find. And I can bring lots of customers who have been very happy to have me helping them through the mortgage process.

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