

From: "Carol Ann" <carolann@dubeau-law.com> on 04/04/2008 05:15:02 PM

Subject: Regulation Z

Gentlemen:

As the owners of our own mortgage brokerage firm for the past 6 years, together with our combined experience in this business of 55 years, it gives us the expertise to comment on the proposed Fed rule. We are Carol Ann Schultz and Anthony M. Schultz. They call Carol Ann "The Mother of Wholesale" here in the Seattle area. She brought Wholesale lending, to this area in 1978 from California, where she was in lending since 1963. Anthony has been a mortgage originator for over 10 years.

We have always supported any rules that protect the consumer and help the consumer. We are ethically obligated to secure the best possible mortgage loan for our customers, the consumer. We are a value to both the lender and the borrower as we act as an intermediary for ALL the players in securing a loan, serving each party. Today the consumer is unable to distinguish the difference between the mortgage broker and the lender. In today's market most lenders sell their mortgage loans in a very similar fashion as the mortgage broker does. It has been my experience that most consumers end up paying more when they go to a bank because the bank does not have to disclose their fees in the manner which the mortgage broker does. They pick that bank, paying much more for their loan, because it is a BANK. We educate OUR customers – THERE IS NO FREE LUNCH AT A BANK. Typically, when we show the consumer how the fees work, they choose us. At the choice of our customer, many times we use the yield spread premium to pay the consumers costs including interim interest, reserves for taxes and insurance, title and settlement charges, recording charges, etc. This helps to facilitate many mortgage loans that otherwise could not be completed, thus assisting the consumer and making the loan possible and again helping the consumer secure the loan they desire.

The consumer signs a Good Faith Estimate and Regulation Z TIL for both mortgage bankers and mortgage brokers. However, with the "Simplification of the Regulation Z" act, it has done nothing but confuse the consumer. Frankly, the old fashioned way of listing all the costs for a bank loan and a wholesale loan makes much more sense and would be a much clearer picture for those consumers that the Fed is trying to protect. All loans should have to disclose in the exact same manner for lenders and brokers, and bank. This new proposal is absolutely ludicrous. The "brain child" that wrote this new proposal must have never worked in mortgage lending and knows even less about the mortgage broker business or the mortgage banker business. Lenders and brokers have so much in common regarding the loan, but the playing field is not even. The lender does not have to disclose and yet most of the time their charges are more expensive to the consumer. Your entire premise is for "the protection of the consumer" -----WELL, START PROTECTING THEM.....the mortgage broker is not the enemy of the consumer, but most times their savior. Yes, there are bad apples in both the lending and broker communities. I can site example after example...which would take up too much of your valuable time...just know that the consumer deserves to have equal treatment with requirements being the same from the mortgage lender as well as the mortgage broker.

This new Good Faith Estimate is impossible to comply with as NO ONE CAN KNOW WHAT CAN HAPPEN WITH AN APPLICATION FOR A LOAN *UP FRONT* . THERE ARE TOO MANY VARIABLES AND EACH LENDER IS DIFFERENT. Underwriting is done by each lender. It is not Generic. Each lenders' fees are different. The beauty of going to a qualified, honest, ethical mortgage broker is that the broker can go to many different lenders to get the best deal for his or her client. The mortgage lender can not do that. They have ONLY *THEIR* loan programs, *their* own underwriting and *their* own fees. If they can not do the loan the customer is denied and that is it.

If you truly want to protect the consumer, that let all of us gather together and write rules that actually can affect change in the industry with the playing field and requirements being the same for all parties (banks

and brokers alike). In this way this encourages competition, which will ultimately result in reduced costs for the consumer.

Please feel free to contact us at 425-823-7540 or, ssnw-carolann@comcast.net or ssnorthwest@comcast.net

Sincerely,

Carol Ann Schultz
Anthony M. Schultz

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