From: "Carl Anderson" <canderson@westshorefirst.com> on 04/03/2008 09:40:03 AM

Subject: Regulation Z

My name is Carl Anderson and I am a licensed mortgage broker in the State of Florida and work in the Land O Lakes area north of Tampa, Florida.

The need to provide for consumer protection as proposed in the amendments to Regulation Z is a worthy goal but should not be done by the elimination of an entire segment of the mortgage industry. As currently proposed, it would appear the elimination of independent mortgage brokers would be inevitable, leaving banks and their lending ability as the only alternative for the consumer.

The typical mortgage broker, like myself, works on a small margin of profit that is directly controlled by the wholesaler lenders and the market itself. As I do not normally charge a broker fee or an application fee my compensation is based on the yield spread premium. Since yield spread premium is market controlled it is almost impossible to quote my yield spread compensation at the time that I am taking the information for a mortgage application. This is further complicated by the fact that my client (the borrower) has the option of not accepting the interest rate that is effect at the time of the application and would rather wait to lock in the interest rate at a later time. Interest rate changes, with concurrent yield spread changes, can occur as frequently as three or four times in a day. As an example, if I am required to lock-in an interest rate at 6.25% when I am first taking a mortgage application and interest rates adjust downward where I would have the same compensation at an interest rate of 5.875% or 6.0%, is it fair to the consumer? In many cases the client would go to a different lender and start the mortgage process over with no compensation to the first broker for the work and expenses that had been incurred.

With the recent tightening of the mortgage market many additional fees and adjustments now have to be made before compensation can be established. In the area where I live the market is adjusted downward by 5% for loan to value considerations and the wholesale lenders are now requiring additional fees based on the credit score of the borrower. Additional fees may be imposed by the lenders based on the borrower's financial status, type of product sought, amount of loan and transaction details.

Unfortunately, the proposed amendments seem to unduly target mortgage brokers, like myself, while giving free rein to other loan originators such as banks who are not required to reflect their compensation or spread.

I strongly recommend that the Federal Reserve consider alternatives to the proposed regulation, which would be applicable to all mortgage originators and encourage competition on price and service.

Thank you for considering the comments that I have made.