

From: "Tom Fowler" <tfowler@trmploans.com> on 04/03/2008 10:25:02 AM

Subject: Regulation Z

To Whom It May Concern:

This email is in regards to Docket No. R-1305.

First, I would like to express support for the consumer protection goals of the Federal Reserve Board's proposed amendments to Regulation Z, but I respectfully oppose the proposal to restrict compensation for Mortgage Brokers. As a Mortgage Broker, I provide many services to both the borrower and act as an intermediary between the lender and the borrower. I work very hard to educate the borrower on the entire loan process, rates and the effect that Yield Spread Premium has on rates, the worst case scenario of adjustable rate mortgages, the impact that older homes have on the cost of their home owners Insurance premiums, the "projected" cost of their Property taxes once the new assessment is done by the respective county based on mileage rates etc and the impact on the borrowers payment when/if an escrow shortage occurs.

I believe it is unfair that Mortgage Brokerage Businesses are singled out vs Lenders in regards to disclosure, fees, and regulations to the consumer. I do not understand why Lenders do not have to totally disclose the fees they make on a given rate, even though they do, and we have to. Many times, I will beat a lenders rate and closing costs, yet after the borrower sees a lender, all that is pointed out is how much Yield Spread I am making, or how Brokers are unscrupulous, and not the services I am providing nor the final true cost to the consumer. I realize that there were many BAD mortgage brokers in the industry but to the same extent there were just as many bad loan originators that worked for Lenders, it seems unfair that we are bearing the brunt of the bad publicity, and virtually all legislature is directed at Brokers, as if we are the cause. I am a Professional and this is my livelihood, and I am not afraid of regulation or disclosure. As a matter of fact, I PERSONALLY GUARANTEE my Good Faith Estimates to my customers and PROMISE to pay any closing costs above my estimates. I take pride in the Job I do and the services I give to my customers, lenders and sellers, I should not be singled out.

Also, it is virtually impossible to give a dollar estimate of fees I will charge a consumer before an application is submitted, there are so many factors that come in to play that can change the transaction that I have no control over.

I would also like to comment on the elimination of Stated Income and No Doc Loans. I believe this is unfair and we are going from a market of excesses to the opposite end, when in actuality we need to meet in the middle. Prior to this current situation, these types of loans were readily available and provided consumers with good credit standings the ability to purchase homes, sellers sold homes, Real Estate professionals made commissions, Lenders and brokers made commissions and the owners of the Mortgage Back securities made a return on their investments with a tolerable amount of bad loans...otherwise the system would have done away with them. The problem is not because we have these loans available; it is because of the excesses and limits they took them too. A decision to eliminate them completely is very bad for our economy, livelihood and will result in more foreclosures. Stated Income and No Doc loans are not always LIAR loans. To many self employed borrowers, they are the only means to homeownership. Even NO DOC loans are good loans with good reasons to use them. For example, a couple has a parent living with them, the couple want to buy a home yet do not have the credit standing to qualify for a loan...yet the parent has the credit to qualify but not the income. The loan can be structured as a NO DOC using the parents' credit with sufficient income in the family to support the payment. Nothing illegal, nothing wrong and you have met the needs of this family and provided them an opportunity for homeownership. There are countless scenarios that are not LIAR LOANS that serve the consumer and the economy. Do not eliminate these loans, you are making the Real Estate market worse and it is too vital a part of our economy.

Thanks for you time and consideration.

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