

Residential, Commercial & Construction Loans

Date: April 4, 2008

To: Board of Governors of the Federal Reserve System

From: Bob Fouts
President
Fouts Financial, Inc.
991- C Lomas Santa Fe Drive

Re: Docket No.R-1305

Sirs:

I support efforts to help the consumer understand the financial impact of real estate financing, but I strongly oppose the proposition to restrict compensation for mortgage brokers alone.

Consumer protection is achieved when all providers of financing are required to disclose all fees. Those providers include banks, savings and loans, mortgage bankers, credit unions, mortgage brokers, and others. Those fees include, but are not limited to, points, rebates, yield spread premiums, servicing release premiums, processing fees, underwriting fees, funding fees, administration fees, insurance fees, home warranty fees, et al.

Up front disclosure of a specific total dollar amount that a provider of financing would earn from a financing transaction, is at best unrealistic. Early disclosure could not take into account the qualifications of the consumer, employment, income, assets, and credit, nor the details of the transaction, and the specifics of the property being financed. The current disclosure requirement of within 3 business days, lets the provider of financing evaluate the details of the transaction, and then make a realistic disclosure.

Furthermore, imposing more disclosure requirements on the providers of financing will only contribute to the confusion that the consumer experiences today. The consumer would best be served with a re-evaluation of the current package of disclosures, and the issuance of new, plain speaking, streamlined disclosures that all providers of financing would use within a timely manner of an application for financing.

Thank you.