

April 3, 2008

Board of Governors of the Federal Reserve System

RE: Proposed Rule Amending Regulation Z  
Docket No. R-1305

Dear Board of Governors:

My name is Denise Greene and I am a loan officer with Mortgage of America Partners. I am concerned about the proposed changes since my income will be adversely affected.

I am not opposed to change as I have been in the mortgage industry for 25 years and have seen many changes. Change can be good. The change does not need to eliminate a segment of the market that allows for competition, and can be good for the consumer.

The mortgage broker allows the borrower the opportunity for shopping. As a mortgage broker we have access to many different products and prices that are not available to a mortgage lender. We do allow the borrower the opportunity to look at all available options. This keeps the market segment in competition for business. We are required to show our YSP to borrowers where Mortgage lenders are not. This disclosure keeps the mortgage broker accountable to the borrower. If the borrower cannot see the hidden cost, then how do they know they are not being taken advantage of.

It seems all the disclosures required should be equally necessary to be presented to the consumer no matter if they are getting financing from a mortgage broker or mortgage lender. The bottom line should be protection for the consumer. Without being given all the required disclosures when dealing with a mortgage lender, the consumer is being cheated out of information that should be given. A mortgage is basically that, and no matter where it comes from, the consumer should be equally informed.

The YSP being paid on a loan allows the broker to be more competitive when doing a mortgage. The YSP can be used to pay for a borrowers lock extension and other fees that may pop up during the process of the mortgage loan. These fees could be rescoring the borrowers credit, paying for a desk review on an appraisal or extending a lock. All loans are not equal and the mortgage broker has the ability to keep the cost from being passed on to the borrower. When the max fees paid in the Georgia Fair Lending are set to 5% then the consumer is protected. Just because mortgage lenders are exempt from

disclosing the ysp, they may be more likely to pass the fees on to the borrower and make the total YSP for themselves. This hurts the consumer as they are now paying more for a mortgage than if they had gone through a mortgage broker.

If all mortgage loan officers are not required to disclose the same, then how can the consumer make an educated decision on where to obtain financing? It may steer the consumer away from a mortgage broker when in reality the broker could offer a much better rate or product.

If the broker is required to give exact numbers to the consumer before a loan application is taken, then the consumer may lose out. A mortgage loan is like a puzzle. You do not know exactly what you have until all pieces are in place. The consumer will tell you something that does not document to be true. You cannot accurately disclose fees and cost since you are truly shopping the loan/borrower based on all collected information including the appraisal. The borrower may not even have a property at time of application but they want to get pre approved to have a better position when making an offer to a seller. It makes it difficult to get what is best for the borrower if your hands are tied.

If the Federal Reserve Board would consult with the Mortgage Brokers Association and at least listen to what they have to say, we might be able to come to a better understanding of how to help the consumer without eliminating a needed competitive arm of mortgage lending. We all want to see the consumer treated fairly.

Why not make loan officers get licensed and then you would have some accountability for their actions. Real Estate agents require a license and if the same were true of loan officers, then maybe you would eliminate some of the people not educated enough to honestly obtain a mortgage loan for the consumer. This would put both mortgage brokers and mortgage lenders on the same playing field. We need to find a way to make the business better, not less competitive. The consumer will be hurt in the long run. The mortgage banker did not place the products for sale regarding mortgage loans, the investors did. They put the products out there. We only sold and closed what we were offered. Please do not take away a great opportunity for the consumer and the living of many people by all but putting the mortgage broker out of business. This mortgage nightmare we find ourselves in today is not the mortgage brokers fault. We should not carry the burden of the mortgage dilemma..

I truly appreciate the opportunity to voice my concern and thank you in advance for your consideration.

Sincerely,

Denise Greene  
Mortgage Loan Officer