

From: "Niel Moser" <moser@homeloanguide.net> on 04/07/2008 01:50:03 PM

Subject: Regulation Z

I support the legislation to change the Regulation Z requirements and disclosures.

My company, Home Mortgage Solutions, LLC , is licensed as a Mortgage Broker in Wisconsin.

Specifically, I support and encourage the change to require Mortgage Lenders to disclose the specific amount of origination fees and Yield Spread Premium income at time of application. Also, the Yield Spread Premium should be included in the calculation of the APR. The Yield Spread Premium directly impacts the borrower's interest rate and the premium is direct income to the Broker and commissioned Loan Originators.

Brokers should set a specific fee amount for processing and brokering a mortgage loan irrespective of size of loan or the interest rate accepted by the borrower. The amount of work in the origination of a home mortgage is pretty much the same regardless of the borrower, property, size of loan, or any other variables. The invisible yield spread premium hides the fee from the consumer. As a result, less knowledgeable applicants, younger homebuyers, and lower income people are more vulnerable to be over charged in fees by lenders and to be charged a higher interest rate. (Note: a mortgage lender can offer to collect their fee by using the yield spread premium and higher interest rate or give the borrower a lower rate and collect the fee as a charge at closing. This should be an option given to all borrowers.)

And, please do not exempt banks and mortgage bankers from this new legislation. They also abuse and misrepresent when it comes to fees and most banks and mortgage bankers act as brokers when they originate and sell mortgages in the market.

Increased regulation is needed to stop the abuse and misrepresentation by mortgage lenders. Certainly, a large part of the mortgage crisis we are experiencing today is a direct result of deception on the part of mortgage companies.

If I can be of help in any way, please let me know.

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