

From: "DEBRA KROBOTH" <debra@khmortgage.com> on 04/07/2008 11:15:03 AM

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My name is Debra Kroboth and I started in the Banking industry in 1969 and have seen many ups and downs. I own Kroboth & Helm Mortgage Company in Sarasota, FL and we are well respected in the community. I am all for protecting the consumer and feel parts of these legislations is good and parts are absurd.

The rules for Brokers have never been the same as the Banks. Disclosure is one of my biggest peeves and essential for fair competitiveness. The new disclosure for Mortgage Brokers only that will require the Broker to disclose front and back fees prior to applications without knowing exactly what type or program the Borrower may be getting is impossible. The consumer has the right to know what fees they are paying but the Broker needs to know what they are doing before quoting those fees. Brokers are required to disclose the YSP but Banks are not so the consumer has no idea what the Bank is making and that YSP affects their rate the same as with a Broker. YSP is used for many things besides paying the Broker. It gives consumers the ability to help pay their closing costs and/or buy down the rate to qualify. Unfortunately Bank programs are very limited and if consumers didn't have Brokers there would be more renters than homeowners. Consumers should have the right to make their own financial decisions, not have the Government mandate where they go for a loan.

Legislation needs to be very careful with implementing this new rule to Brokers only. Brokers are not your problem! Is it fair that fees are only disclosed to the consumer if they get a mortgage from a Broker? Banks, Mortgage Brokers & Lenders should all have to work with the same set of rules and on the same playing field. Why can't the consumer see what the Banks are making on their loans? The majority of Bank originators unfortunately are no more than glorified order takers and in most cases have no financial backgrounds whatsoever. More often than not, they are hired and taught by the Bank on how to take an application. No licensing is required. I'm surprised anyone is wondering why we're in a mortgage crises. The big boys set up the programs and make the rules that we are required to follow and when loans go bad we're the fall guy. Bank underwriters review our loans, sign off and disburse the funds when everything has passed their requirements. So who should you be looking at?

If this rule passes the Brokers will eventually be a thing of the past and the consumer will be the biggest loser. As for guaranteeing a borrower can and will pay their loan as agreed for 7 years will require a crystal ball. Obviously the Fed put very little thought in this entire thing and needs to go back to the drawing board.

Debra Kroboth

Kroboth & Helm Mortgage Company, Inc.
1444 1st Street, Suite A
Sarasota, FL 34236
941-955-7115

Debra Kroboth
Kroboth & Helm Mortgage Company, Inc.
www.khmortgage.com/debra.htm
941-955-7115