Canton Street Mortgage

April 1, 2008

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Ms. Johnson,

I am an honest Mortgage Consultant working with equally honest Canton Street Mortgage. I was a client of Canton Street Mortgage, before I joined them as an employee. I did 2 of my refinances with them. They were honest, fair, no junk fees and no surprises.

I am writing to comment on the Federal Reserve Board's proposed amendments to Regulation Z. As an honest mortgage broker, I applaud the Fed's decision to give consumers additional protections. However, I urge you to reconsider the proposal to restrict compensation for mortgage brokers. Not only is this proposal a step in the wrong direction, but it will have the unintended consequence of driving mortgage brokers out of business. If this happens, not only will there be less competition in the marketplace, but consumers will no longer have access to the valuable service that mortgage brokers provide. As a mortgage broker I take satisfaction in finding the best loan products, offered by an array of lenders for my clients. Because, no one lender has the right product for every borrower.I am then able to act as the liaison between the borrower and the lender thereby ensuring a smooth process. Part of the "process" involves serving the lender, as well, by preserving the integrity of the loan and loan documents. I am serving both parties but representing neither.

Most consumers do not understand the difference between mortgage brokers and other originators. This lack of understanding becomes the Achilles' heel if the Fed's proposed amendments are approved. I witness everyday how difficult it is for borrowers to compare Good Faith Estimates. They are never comparing "apples to apples". Requiring brokers, but not other loan originators, to make compensation disclosures will not only make comparing GFE's more difficult, it will always make the broker's deal look worse even if they are offering a more favorable

Canton Street Mortgage ~ 1116 Canton Street ~ Roswell, GA 30075 ~ 770-643-7855 ~ 770-643-9210 fax

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loan. This is a recipe for less competition, more confusion, and once again, the consumer will suffer from something that was intended to help!

I am extremely concerned about being required to give borrowers a reasonably precise dollar estimate of fees before an application is submitted. It is imperative that borrowers make application so that the broker can determine their financial status, transaction details, type of product sought, and amount of loan. In a typical loan transaction, these things vary as the transaction progresses. It is poor business practice to give a client a quote and then tell them they do not qualify for a loan once their credit has been checked, only because your quote cannot be altered.

It is my hope that the Fed will consider alternatives to their proposed amendments to Regulation Z. In my work, I see college-educated consumers confused by APR and complicated disclosure documents. I respectfully submit that what the consumer really needs are simple, straightforward disclosures from **ALL** originators, in plain language that the average Joe can understand. A Good Faith Estimate with fewer lines, so that it is easier for them to compare "apples to apples" would be a big help, too.

Thank you for your attention to my letter.

Respectfully,

Shachi B

Shachi Bhardwaj
Loan Officer
Canton Street Mortgage