From: Mark Blosil <mark@blosilgroup.com> on 04/08/2008 05:40:04 PM

Subject: Regulation Z

To whom it may concern:

I would like to take this opportunity to comment on the above referenced docket number. As a mortgage planning professional, and one who is committed to my profession, both in terms of integrity and market knowledge, I want to make sure that any additional regulation being proposed, and imposed on mortgage brokers, be well thought out and beneficial to not only the consumer, but the mortgage industry at large, and changes that should be imposed on all lending sources, including mortgage banks, commercial banks, thrifts and savings and loan, etc.

With markets in turmoil, it is tempting to act in haste because of political pressure, and for the need to do “something” in answer to public and media outcry. While thinking through what steps can be made that will actually improve the mortgage market, consideration must be given to leveling the playing field with the commercial and mortgage banks. Proposed rule changes requiring only brokers to provide binding disclosures for fees and yield spread premiums gives the consumer the impression that brokers are more costly than banks or mortgage banks. If banks don’t have to disclose fees and YSPs, then the natural conclusion will be that brokers cost more. If the goal for the FRB is to allow consumers to shop by the lowest cost—presuming you think the mortgage business is nothing but a commodity business, where one bank or loan agent is as good as the next, then all providers of mortgage financing should disclose fees and costs, or none should. Why are brokers being signaled out for this type of rule when if can be shown that there is just as much deception at the retail bank level?

Secondly, having to commit to total compensation before an application has been started makes no sense. So much is unknown about the client that it would be nearly impossible to put a value on the service that will be provided. Credit is not known, value is not known, income is not verified, changes in a clients circumstances arise, or the client changes the deal half way through the process. Having to price a transaction to hedge against the unknown would only make the broker seem more expensive than other retail channels.

Thirdly, requiring tougher underwriting guidelines or so called “higher cost” loans could eliminate many potential homeowners with good income and credit. Let the market dictate spreads over treasury yields, not have them artificially imposed. Price controls never work.

Finally, the disclaimer proposed alerting the consumer to the self interest of the mortgage broker based on what the broker is being paid is a poor idea. You already have an industry that is constantly trashed in the media, and now you want to put in disclaimers about mortgage brokers that only reinforces what consumers read, that mortgage brokers can’t be trusted. You will continue to create a climate of suspicion that the mortgage broker business will never be able to recover from.

Wall Street, Congress, mortgage companies, and mortgage banks, are all in some degree responsible for what is happening in the credit markets. While singling out mortgage brokers may take the spot light away from others responsible for what is happening, it is not right. Either the proposals above get applied to ALL mortgage sources, or none of them do. The playing field should be level for everyone. I have clients that have been worked over by retail loan officers at major banks—they should not be immune to what you are trying to do to the mortgage broker.

Thank you for your time and consideration.

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