From: "Amber Savastio" <amber@gsfinancialsolutions.com> on 04/15/2008 11:12:59 AM

Subject: Regulation Z

To Whom It May Concern:

I am a mortgage broker in the state of California. I have been in business for three years. I have always educated my clients concerning the positive and negative aspects of various loan options and have, on many occasions, told borrowers that I would not be willing to get them financing for a home they could not afford. (Even when underwriting guidelines were allowing No Income, No Asset loans.) I have never originated a Reverse Mortgage or an Option ARM. I have always felt a strong responsibility to my clients to make sure their best interests are served. None of the loans my company has originated have ever been foreclosed on.

I understand that not all brokers work under the same code of ethics that I do. I agree that steps should be taken to be sure borrowers are well educated and protected against those who would take advantage of them. However, singling out only mortgage brokers as the sole culprits of “predatory lending” is inaccurate, unfair, and ultimately has the potential to be devastating to my business and my family.

Specifically, the requirement to disclose the total dollar amount of compensation before application is unrealistic. As I’m sure you are aware, interest rates change on a daily basis - sometimes several times a day. The Yield Spread Premium changes with every new rate sheet. A client could apply for a loan and choose not to lock the loan for several days. In this time, the YSP can change from 1.2% to 1.27% or to 1.14% (for example.) While it’s not a huge difference, it does make it impossible to truthfully disclose exact compensation before a loan has been locked.

I’m also very distressed by the wording of the disclosure stating that “a lender compensation to a mortgage broker can influence which loan product and terms the broker offers you, which may not be in your best interest and may be less favorable that you otherwise could obtain.” Again, this vilifies me - when, in fact, most of my clients price loans with other brokers and/or banks and come back to me because the products and terms I offer them are the most competitive. Your response may be that this sort of a disclosure would not hurt me if I am in fact being honest and straight forth with my clients, but it is damaging to my hard-earned image as an advisor.

Finally, in the state of California, Stated Income loans are an important part of our portfolio of products. Many of my clients are self-employed. Their income is difficult to verify because of the many deductions that are legally available to self-employed tax payers. Today, the 5 Year Treasury Yield is 2.72%. My understanding is that the 3% APR threshold makes a Stated Income loan impossible for anyone who can not obtain a 5 year mortgage with an APR above 5.72%. In Los Angeles County, where I do all of my work, the average home value is well over the standard conforming limit. 90% or more of my clients require Jumbo loan products. The doctors I work with who own their own practices, the realtors, construction contractors, and all other business owners are severely compromised by this new regulation. I have no argument against requiring that Stated Income loans not be available to wage earners, but there self-employed individuals whose monthly income, assets, and excellent credit should be able to qualify for a Stated Income loan. The vast majority of my clients set reasonable limits on what they can afford to pay on a monthly basis. For those who don't, I set the limit or I send them away.

Rather than throwing a blanket of distrust over all mortgage brokers, set harsher penalties for those who do hurt their clients. And prosecute them.

Thank you for your time and consideration.

Amber Savastio