

**From:** "Jerry Jackson" <jjcornerstone@comcast.net> on 04/03/2008 01:05:03 PM

**Subject:** Regulation Z

To Whom it may Concern:

I am an independent mortgage broker doing business in Florida. I have made a living as a mortgage broker for the last 10+ years. During such time, I have seen more and more regulation of my industry, which I agree with and have very little problems with.

The reason I agree with the regulations is, I operate my business with honesty and integrity, and I don't try to make anywhere near the 5% maximum fees allowed by law! The only problems I have with the regulations is the discrimination shown directly to mortgage brokers. We mortgage brokers are required to disclose to the borrower any premium paid to us by the lender in the form of par plus pricing. All Lenders, in contrast, are exempt from having to disclose this, even though almost all of them sell their mortgages to other lenders and are paid often higher par plus premiums! This is Discrimination!

Now, I'm being told that there is pending regulation that would require a mortgage broker to disclose to the Borrower, before application, what the loan fees and par plus pricing will be! This is ridiculous! It's impossible to know this information before application, and circumstances change during the loan process that sometimes require a fee adjustment. For example, if I submit an application for a loan with a loan to value below 70%, the pricing based upon the interest rate quoted is 1/2 point better than if, after the appraisal comes in, the loan to value happens to be above 70%! This has happened many times! It is impossible to know this information at the time of Application!

I'm also being told that pending regulation would require the mortgage broker to determine that the borrower has the ability to repay the mortgage for at least 7 Years! This is absolutely ridiculous! Stuff Happens! People lose their jobs! People get sick! It's not the mortgage broker's fault!

The Sub-Prime meltdown has taken out most of the bad mortgage brokers. They are the ones that give my industry a bad name by trying to make enough money on one loan to make their month! Now, we need regulation that makes the Originator, broker or lender, show an actual benefit to the Borrower by getting the loan! One of my clients got swindled by another Originator out of California into refinancing his home under a Pay Option ARM! He had just refinanced with me into an interest only fixed rate loan, and this guy convinces him to refinance because he could offer him a "Lower Payment"! What he didn't tell the Borrower was, his "Lower Payment" didn't even Pay the Interest! This was NOT a benefit to the borrower, and now he owes much more on his house than he ever intended to! That loan should never have been allowed, and that Originator should be Banned from the Industry! That would be worthwhile regulation!

I am just a small guy trying to make a living as an honest mortgage broker. With the property values being hit so hard in south Florida, I am having a hard time putting loans that make sense together. I only write loans that benefit my clients, and thanks to wholesale lenders, I'm able to offer them interest rates that meet or beat the local banks! All I ask is that you not discriminate against mortgage brokers, and make all Originators abide by the same rules and regulations! Also, don't over-regulate to the point where people will be unable to get the mortgage loans they need! Mortgage Brokers offer a much needed service to their clients!

Thank you for your consideration,

Sincerely,

Jerry K. Jackson  
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Palm City, FL