

From: "Theresa Ballard" <tballard@bfosolutions.com> on 04/02/2008 09:30:04 PM

Subject: Regulation Z

Dear Federal Reserve Board,

I understand the intent of the proposed changes to Reg-Z. I fee that the requirement that only Mortgage Brokers provide consumers a binding, written disclosure of the total dollar amount of their compensation prior to application is not in the best interest of the Consumer. Consumers will mistakenly believe that Lenders are saving them money when in fact their they will receive additional monies due to the sale of Servicing.

Requiring Brokers to disclose their total compensation as a dollar amount before application will spontaneous service estimates based on partial information. A Mortgage Broker will be required to blindly, without adequate underwriting criteria, disclose to a borrower their total dollar compensation for a given loan without the opportunity to make adjustments based on unforeseen circumstances This does not take into consideration the Borrower's choices, such as lowering their loan amount. If the compensation were based on a percentage, the Borrower would be charged a lower fee based on the percentage.

The proposal mandates a written disclaimer from the mortgage broker that states: **"a lender payment to a mortgage broker can influence which loan products and terms the broker offers you, which may not be in your best interest or may be less favorable than you otherwise could obtain"**. Mortgage Brokers in California have a fiduciary responsibility to their Borrowers. Given this California law a mortgage broker has an obligation to make a full and accurate disclosure of the terms of a loan to borrowers and to act always in the utmost good faith toward their principals (borrowers.) The proposed language will wrongfully misrepresent the duties a broker owes his client, a probable violation of state law.

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"In the final measure, nothing speaks like deeds."

***General John A. Wickham, Jr.**