

From: "Doug Kennell" <doug@securemortgageinc.com> on 04/08/2008 02:45:06 PM

Subject: Regulation Z

Board of Governors of the Federal Reserve System;

Good morning:

My name is Douglas Kennell, President and Licensed Broker of Secure Mortgage Inc in Cape Coral, FL., and I would like to express my support for the consumer protection goals of the Federal Reserve Board's proposed amendments to Regulation Z but at the same time respectfully oppose the proposal the restrict compensation for mortgage brokers. Mortgage brokers provide a service as an intermediary between the borrower and the lender, adding value to the real estate transaction but representing neither side. We, as mortgage brokers, must compete with Direct Lenders and that the distinctions between the two have blurred in the recent years as lenders themselves typically package and resell loans that they originate. Consumers are largely unable to distinguish the difference between a mortgage broker and a direct lender as we have similar names, similar signage and rely on similar advertising methods.

Over the recent years, mortgage brokers have adjusted to stricter disclosures in which to protect consumers and are required to receive continuing education every two years while lenders originators are not required to do the same.

I would like to insist that any disclosure apply equally to ALL originators, be it a broker or an originator from a direct lender.

In regards to yield spread premiums, which are disclosed on the GFE, the HUD settlement statement and paid by the lenders to the brokers, are much more than just compensation. It allow the independent broker and brokerage companies to over come cost of day to day business, medical insurance, etc..., as well as to keep the upfront fees to the borrower at a minimum especially in this market where people are currently struggling to afford a new home.

It is impossible to give a reasonable precise dollar amount of fee's a broker will charge in a loan transaction, prior to loan application submission, as the broker will not yet know the financial status, details of the loan, the amount or type of loan product being requested by the potential borrower, all of which may change as the loan transaction progresses.

In the real world, requiring only brokers to disclose compensation documents, will allow our competition, banks and bankers originators, to

steer consumers away from brokers even if we have more favorable loans . We recommend that prior to passing legislation to put millions of people out of work that you consider alternatives to the proposed regulation , which would protect consumers in their dealings with all originators and encourage competition on price and service .

I would like to thank you, the Board of Governors of the Federal Reserve for considering my comments.

Kindest Regards,

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