From: "Sally Bucciero" <Sally@SallyBucciero.com> on 04/08/2008 08:25:03 PM

Subject: Regulation Z

To Whom It May Concern:

My name is Sally Bucciero and I am owner and broker of the Sally Bucciero Mortgage Group LLC in Sevierville Tennessee. I am also a Faculty Member of Loan Tool Box, the leading training company in the industry. It is our mission to build better loan officers.

I am writing to express my support for the consumer protection goals of the Federal Reserve Board's proposed amendments to Regulation Z, but respectfully oppose the proposal to restrict compensation for mortgage brokers.

As a broker, I act as an intermediary between the borrowers and the lenders. It is in the best interest of all parties that I serve BOTH but represent NEITHER. When I speak with a client, it is imperative that we have a detailed conversation about what they are looking for at the time of application and the expected life changes they will be making in the next 3-5 years. Based on that information, I structure 1-3 different options for the Borrower to review. I review those options with the Borrower, explain the pro's and con's of each so they can make an educated choice. At this point, I usually have approximately 2 hours of work into the file. This time is spent to bring value to the transaction and to serve both the lender and the borrower. But again, I am representing NEITHER, but acting as a facilitator.

Over the years as this industry evolved, the distinctions between brokers and lenders have become blurred as they typically package and resell the loans they originate. In today's market, the direct lender has actually become out competitor. The very lender I am selling the loan to I am also competing for the loan with their retail shop down the street. As confusing as this is to the brokers, it is even more confusing to the borrowers. Borrowers are unable to distinguish between brokers and lenders, which have similar names, use similar signage and rely on similar advertising. Due to the blurred lines of assumed distinction, it is imperative that any disclosures apply EQUALLY to ALL mortgage originators, not just brokers.

Yield spread premiums are much more than just compensation, they are used to pay certain costs and facilitate the loan transaction. For example, in the last year, we have been hit with reissue fees for credit reports causing our cost to triple. I do not pass this on to the borrower, instead I choose to pay for it out of the yield spread premium. In the current market, more often than not, I must extend the lock. Again, I choose to absorb this cost and do not pass it on to the borrower. If it weren't for yield spread premium, the borrowers cost would increase substantially in a mortgage transaction. Ultimately, it is matter of cash flow for the borrower. I live and work in a lower income area. If it weren't for yield spread, borrowers closing costs would increase. This money would have to come from the money they saved for a down payment. At this point, many would no longer qualify for a mortgage, more would ultimately pay more money for their mortgage due to increased loan amount and rate due to higher loan to value.

As a broker, I can offer my clients more favorable loans than my competitors. However, in the real world, if my competition does not have to make compensation disclosures, you have just provided a tool to them to STEER consumers away from brokers. Please understand, I have absolutely no problem with disclosure. But I do believe that brokers and loan originators should BOTH be required to disclose.

Requiring this disclosure PRIOR to application is impossible. It is important to me to give the borrower accurate information and this cannot be done prior to the loan application being submitted. I need to know the prospective borrower's financial status, transactions details, type of product sought and the amount of the loan. And it that is not enough, as they begin to provide their documentation, all of this changes. Then the appraisal comes in and the transaction details change yet again. A mortgage loan is a work in progress until it is closed. This disclosure needs to be done at or near the closing. Perhaps a solution would be to have ALL mortgage originators disclose on the Settlement Statement and have the borrower's initial it.

It is imperative that the Federal Reserve consider alternatives to the proposed regulation which would protect consumers in their dealings with ALL mortgage originators. Further, loan originators should be encouraged to compete on price and service. I would encourage the Federal Reserve to meet with the leading training companies in the industry to lean on them to promote education. With the education, loan originators will be able to compete on price and service. It is price and service that most consumers look for in any transaction whether it be the purchase of a house, mortgage, car or washing machine!

Lastly, I am a big supporter of education as it relates to licensing. This education must be facilitated at the state level through mortgage broker school with an approved state approved curriculum. Each state must be held accountable for their education and licensing procedures. I would also like to see fingerprinting and criminal background checks required for all originators.

I wish to express my sincere thanks to the Board of Governors of the Federal Reserve for considering my comments.

Blessings,

Sally Bucciero

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