

From: Pedro Lopez <tricontymortgage@mac.com> on 04/08/2008 07:10:02 PM

Subject: Regulation Z

This letter is being sent by Pedro A. Lopez, Broker at Tri-County Mortgage in Broomall, PA 19008
I think it is commendable that Federal Reserve Board would amend Regulation Z with the goals of enhancing consumer protection. As an independent business entity I believe in providing a valuable service to the public at a reasonable cost. My fee agreement states that I have business relationships with a number of wholesalers offering a range of loan products to suit specific needs and desires of the consumer. I specifically declare that I do not work for the wholesalers neither nor do I represent the customer but I do strive to be fair to both. I certainly want my customers to come back and also refer me to their friends and family. I would not even think of saying to my customers that I will get them the best rate. There are hundreds of lenders and I do not have access to their rates/points/fees.

In the market place of mortgages, the Mortgage Brokers originate about 2/3 of all loans. I believe service, attitude, going the extra mile like being present at settlement explain their success. However, other direct originators do not have to disclose compensation from the wholesaler known as "yield spread premium". I like the present availability of yield spread premium to assist the consumer who may be short of funds by reducing or eliminating points and being compensated by yield spread premium instead. The distinction between brokers and direct lenders has blurred over the past few years as many lenders actually act as brokers. Both originator types should be treated equally.

My concern with a proposed rigid system to require disclosure before an application, the total compensation to the broker, without an opportunity to update due to changes such as loan-to-value due to tighter appraisals, or changes in the initial estimate of a rate/yield spread premium, would hurt broker and consumer alike.

The mortgage industry is going through a traumatic change. Tightening everywhere. Please take this into account in your proposed changes.

Respectfully submitted,

Pedro A Lopez.