

**From:** "Gregg Medaglia" <greggmed@gmail.com> on 04/08/2008 11:15:02 PM

**Subject:** Regulation Z

To whom it may concern,

I wanted to write you today in regard to the pending issue before the Federal Reserve. As a mortgage broker and small business owner for the last six years, I am gravely concerned about the proposed regulations being considered.

I'm sure there have been abuses in the system, however I have never done a subprime loan in my career, yet most of the items being considered for regulation would prevent me from providing financing for my client base of prime borrowers. The resetting of loans considered to be "high cost" is way too low. This will effect not only subprime borrowers, but also prime borrowers. **The new APR triggers of 3% (1st mortgages) and 5% (subordinate mortgages) above the 10-year U.S. Treasury, would cause nearly every mortgage made in America to be classified as a "higher-cost" loan. As such, the provisions of the regulation will make financing nearly impossible.**

Additionally, the regulation would require only mortgage brokers to disclosure, before Application, what mortgage brokerage fee (front end AND back end fees) will be on the loan and this CANNOT CHANGE. This would not be a requirement for banks even though they have the same pricing structure as mortgage brokers. It provides banks with a PRECEIVED LOWER COST. In actuality it will be misleading to consumers. YSP is already disclosed on GFE's as it is for Mortgage Brokers.

There is much more to be opposed to in this regulation, however the one thing that will definitely be a result of the regulation being considered is that it will reduce the sources of lending available to the public and this will cause home prices to fall even further...you can take that to the bank!

Regards,

**Gregg Medaglia**

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