From: "Matt Hernandez" <matt@lfgmortgage.com> on 04/03/2008 02:20:42 PM

Subject: Regulation Z

I am one of many mortgage brokers and realtors concerned with the proposed legislation in R-1305.

1) Proposal for mortgage brokers only. In the state of California, we are already require to disclose fees, yield spread premiums, and total compensation. It is itemized on our "Good Faith Estimate", which is reviewed by and with the prospective client. In addition, the client is asked if they understand all entries, if not, additional time is spent reviewing the estimate. Once the borrower/s understand the estimate, they are asked to sign the document. The borrowers are also asked to read and sign a variety of disclosures that explain the mortgage process and what needs to take place for the mortgage to fund. Many of these documents give the mortgage broker the authority to act on behalf of the client to secure the required information. The concern is that you are requiring only mortgage brokers, not Banks or Savings and Loans, to provide this information. **This is unacceptable**. Mortgage brokers have a multitude of lenders to choose from, which provides are clients with a variety of choices. In addition, all mortgage brokers in the state of California have been through a licensing program required by the California Department of Real Estate. We are also require to take continuing education courses prior to renewing our license.

This requirement should be universal for "All" lending institutions, not just mortgage brokers. These institutions need to come up to the DRE standards.

2)Disclosing compensation in California, has always been a part of our lending package. We have our clients read and sign the disclosure, and they me opt out at any time. This disclosure is based on a specific product. If the client decides to change the loan mid stream, and the new loan program compensates the broker at a lesser amount, you are asking that the broker absorb the loss. **Unacceptable.** By the same token, if the borrower requests a different program, which actually increases the broker compensation, which could lead to lower interest rates for the borrower we can not change the original "Good Faith Estimate" **This makes no sense what-so-ever.**

3) What needs to be done is to ask the Banks, and Savings and Loans, not the Mortgage Brokers, to justify and qualify the creative financing options they have provided over the last 5 years. Mortgage brokers don't create the loan programs, we provide all viable options to our clients, and help them make the right decision based on specific criteria. The Banks and Savings and Loans via their underwriters have the option to say "Yes of NO".

As one of many concerned Mortgage Brokers, and Realtors, and voters, I ask that you reconsider some of the proposed changes in legislation.

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Legislation is fine if it makes sense, and is universal for all those who provide the same service.