

From: "bev blok" <bblok@divcap.net> on 04/08/2008 05:00:06 PM

Subject: Regulation Z

To: Board of Governors of the Federal Reserve System

Re: Docket No. R-1305

From: Bev Blok
Diversified Capital Funding
30 Whitney Street
Los Altos, CA 94022

First I want to express my support for the generation of prudent, well structured, universally applied legislation to protect and assist consumers of mortgage loans and that this legislation address all aspects of the lending industry. That is the entities generating credit ratings, buyers and sellers of mortgage backed securities, lenders, and loan originators.

Being employed in the loan brokerage business, I do have concerns about the proposed legislation. The consumer is best served when there is competition in the marketplace. There are times when retail banks or direct lenders can make more attractive offers, and other times brokers can make more competitive offers. If consumers go to a retail bank or direct lender, and are declined because of that institution's guidelines, they are stuck and have to start over with another lender while their close of escrow date is fast approaching. They need the services of a credible broker who can match them to lenders with guidelines that they meet and loan approval is tendered in a timely fashion. In addition to typical considerations as fico, ltv/cltv, it could be residency requirements, non-occupant co-borrowers, lending in a trust, qualifying various types of income, trailing spouse income, and types of assets. It is a very stressful time for borrowers when purchasing a home, and they need qualified guidance.

The proposed rule appears to not be equally applied to direct lenders and brokerages. The brokerages have different and more stringent disclosure requirements. Having to establish a precise dollar amount of compensation before knowing the amount of effort required to acquire financing is unreasonable. Often the borrower needs coaching regarding credit, counseling regarding types of products, and overcoming unforeseen obstacles.

Alternatively, I would suggest alternatives which protect borrowers and encourage competition on service and price.

Respectfully,
Bev Blok