From: "Mike Vodnoy" <mike@fishmanfinancial.net> on 04/08/2008 05:00:01 PM

Subject: Regulation Z

Dear Federal Reserve Board,

The proposed changes to Regulation Z requires that brokers, and only brokers, provide consumers a binding, written disclosure of the total dollar amount of their compensation (including YSP, Origination Fees, Processing Fees, Underwriting Fees and all other fees earned) prior to application. Requiring only brokers to provide such a disclosure will confuse and harm consumers who will mistakenly believe that lenders who don't disclose their compensation are saving them money. I am all for full disclosure of anticipated fees, charges and YSP (as compensation) incurred in a financing transaction. If financial professionals are to provide services on a level playing field, all financial professionals should provide the same disclosures – brokers and bankers. Brokers shouldn't be required to disclosure differently than bankers.

Requiring brokers to disclose their total compensation as a dollar amount before application will also lead to seat-of-the-pants service estimates based on partial information. A Mortgage Broker will be required to blindly, without adequate underwriting criteria, disclose to a borrower their total dollar compensation for a given loan without the opportunity to make adjustments based on unforeseen circumstances. When I quote a rate to a customer, it is always predicated on being able to lock the rate with a Lender subject to their product and pricing adjustments. If I'm locked into a rate quote up-front, I will be extremely conservative in my quote. Whereas, when I have flexibility to change terms through a transaction, I may ultimately be able to deliver a better deal to the customer. As a mortgage professional, I attempt to deliver a good deal with excellent service to my customers.

As far as down payments go, I believe that 5% down payment should be required on all purchase transactions. If a borrower has some money into the transaction, they are less likely to walk away from their investment. Whether the market is flat, up or down, 5% should be the minimum down payment required to buy a home.

As far as sub-prime loans go, if the credit score is under 620, they shouldn't be eligible for a Federally insured/backed loan. If a borrower doesn't have a credit score, they should be permitted to build a non-traditional credit profile and not be penalized because they are not in Fair Issac's, Equifax's or Trans-Union's database.

As far as "stated income" and "no doc" loans go, if the credit score is 720 or greater and loan-to-value ratio under 80%, these loans should continue to be made available to consumers. I believe that consumers who score better than 720, have managed their credit profiles responsibly and are excellent credit risks.

I have been in the lending business since 1988 when fixed rates were in the 11s. I have been continuously licensed as a California Real Estate Broker since 1992. I have had my notary public commission since 2002. I have never had a complaint against my license or commission.

Respectfully,

Michael Gerson Vodnoy
Loan Agent
Fishman Financial Group, Inc.
1503 Solano Avenue
Berkeley, CA 94707