

Ladies and Gentlemen:

I am a mortgage broker from Tampa, Florida and after reviewing the proposed amendment to Reg Z, I find it to be a poorly crafted, knee-jerk reaction to placate someone's ill-founded and uninformed feelings regarding our current real estate crisis. The following are points which I consider to be salient with regard to that rule and the surrounding situation.

1. Although there are certainly mortgage brokers out there who are greedy and unprincipled, they are certainly in the small minority and comprise no more a percentage of the relative population as do the like minded people in our government, both elected and hired as government employees; as amply demonstrated by our news media on a daily basis. My object is not to point the finger at any one, but rather to demonstrate that I don't believe that mortgage brokers should be the target of this regulatory change, as they are not the problem. The problem is greed, which can not be regulated into submission. The biggest offenders of that greed are not the mortgage brokers in this case, but rather the lenders who would profit substantially from un-necessarily high rate mortgage loans. Mortgage brokers function like attorneys, doctors, barbers, carpenters and any other skilled individual that develops a skill not common among the general population and provides others with service based upon that skill to allow them to solve a problem for which they do not have the resources or skill to solve themselves. As such, they need to be properly compensated for their service. Your amendment, would take away the level playing field for origination with lenders, and in fact, make it easier for lenders to reap unnecessarily high rewards (at a cost to the consumer). Therefore, your amendment needs to be re-crafted to allow a level playing field for the brokers and the lenders, thus insuring the consumer of competition and therefore the most efficient cost/benefit ratio possible.

2. Your requirement for pre-application disclosure of fees is insane. First of all, a broker or lender (for whom this requirement is not proposed) does not and can not know what conditions exist surrounding the case in question, prior to the application and certain due diligence. It is therefore impossible to determine what the fees will be, because one can not know how much the potential borrower will qualify for, or the value of the related real property, and therefore the mortgage amount is indeterminate. My suggestion is that the potential borrower be informed as to his costs far enough ahead of the closing to make an evaluation as to whether or not he/she wishes to continue the transaction or go elsewhere. That may well hold up some closings, but it would be fair to all, which I am sure is the object of your amendment. In addition, the pre-disclosure of fees would tend to make brokers/lenders lock rates prematurely and not allow the potential borrower the ability to take advantage of a slippage in rates during the process. The cost associated with this can be substantial over the life of a loan. For example, a ¼ point decrease in rate on a 30 year \$100,000 mortgage equates to over a \$5,400 savings to the borrower. To not be able to take advantage of that because of your regulation, would be a shame.

3. Brokers add substantial value to the mortgage process. They are able to poll a number of lenders and find the most appropriate and lowest rate deal for the potential borrower. In addition, they can explain the risks and benefits of certain classes of loans and help the potential borrower make the best decision for his/her situation. By eliminating brokers, which is the effect, if not the intent of the legislation, prospective borrowers lose the advantage of being able to take advantage of a larger spectrum of available loans, which would ultimately lead to higher costs and rates to the borrowers since there would be no-one to keep the lenders honest.

Mortgage brokers as a whole are in support of regulations to protect the consumer, but we, as a group and as individuals feel that this amendment attempt would be counter productive for both the consumer and mortgage brokers and lenders. Please re-craft this amendment to level the

field between the lenders and the brokers, and to protect the consumers in a way that would not eliminate the benefits they presently accrue from using a mortgage broker.

Thank you for your attention. I am available for further comment or discussion, should you wish.

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