

From: "Jerald Brower" <gtxjerry@sbcglobal.net> on 04/03/2008 03:55:03 PM

Subject: Regulation Z

I have been in the mortgage business for 29 years. The disclosures you are addressing would put an unfair disadvantage on mortgage brokers to disclose the dollar amount of their fee before the application is taken. I give my borrowers a good faith estimate of costs to give them as much information as possible. The transaction always changes from the beginning to the closing of the loan. Mostly due from bad information from the borrowers who don't disclose their true income, credit, and assets. Also the property may not appraise for the amount the homeowner had stated and then the loan either changes or goes away under your proposed changes.

Disclosing a dollar amount fee by brokers and NOT BANKING INSTITUTIONS GIVES THE Banks the power to alter the loan and switch the loan to another they offer and steal from the client.

Mortgage brokers are not the problem with the sub-prime mess. It's the greed of the lenders who created this. Banks who fund loans for brokers' entice brokers to raise the yield on the loan to get more money. Many institutions have just been dealing with brokers so their loan officers won't have to do the YSP game.

Yes people have been duped and a lot of this comes from brokers who deal with their own ethnic groups who don't understand English and trust somebody who speaks their language. If you would do a study on this you will find the real problem in this whole situation.

Customers negotiate with brokers all the time and drive down the commission paid to brokers but not to bankers.

By enacting these proposals against brokers will drive them out of business and then the Banks can do whatever they want. Unfair competition!

In my experience Bankers who do a tremendous amount of business, do the most drastic game of YSP in the market place because people think that a Banker has automatic creditability because people deposit their money their.

Lenders are going to court as I am typing this to defend themselves against consumers for telling the property appraisers to pump up the value of the property to make the loan. Not realizing this, the consumer has been robbed of their equity, and the loans that are sold in the marketplace are ridden with fraud. That's the mess with Wall Street.

Please reconsider these changes. I think that the best way to handle this YSP issue is to limit all lenders, not just brokers but Bankers, as well, to a maximum of a dollar amount they can earn from the YSP on the loan amount.

Thank you for your consideration,
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