

From: Carlos Colón <carloscolon51@cfl.rr.com> on 04/03/2008 04:00:09 PM

Subject: Regulation Z

Dear Federal Reserve Board,

I am a mortgage broker originating loans in Orlando, Florida. I am writing you today to express my concern over some of the new rules you are considering. I believe I speak for all people in the mortgage industry in saying increased consumer protection is a positive step. However, increased protection at the expense of limiting the way one part of the industry does business (i.e. mortgage brokers) will not help consumers overall.

I am opposed to the part of the new rule that requires restrictions on compensation for mortgage brokers because it will limit the way we do business compared to direct lenders. Mortgage brokers and direct lenders are originating loans to the same consumers giving our industry increased competition that benefits all consumers. Over the years, qualified, honest mortgage brokers have helped consumers by offering them a wider array of products than can be offered by a local bank for instance. I closed several loans last year for consumers that could not get a loan from their bank and it was simply because I could do a comprehensive search of many lenders' programs to find the one that would work for those consumers.

Mortgage brokers add value to the overall real estate industry not just by finding programs consumers qualify for but also by acting as an intermediary between consumers and lenders while not specifically representing either party. Most successful brokers will perform these duties in a manner that benefits both the consumer and the lender, which generates new "word of mouth" business. This is especially important in the Central Florida area because lenders and builders alike have significant inventory available, but it can often be difficult for them to find qualified consumers.

As I mentioned, added consumer protection is a positive action, but any changes made to compensation, disclosures, originator licensing, etc. should apply to all mortgage originators and not just mortgage brokers. Changes made to all originators will not only add protection for consumers but will ensure competition remains strong in the industry giving many options to all consumers.

I'd like to briefly comment on the possible requirement to give a precise dollar estimate of fees prior to an application. Before an application is submitted by a consumer neither brokers or lenders have any knowledge of what the consumer will qualify for thus making it nearly impossible to quote a precise amount for fees, especially since many fees depend on the transaction details.

I truly hope the Fed will consider some alternatives to the proposed rules that will focus on keeping competition strong in our industry by making all rules apply to all mortgage originators (lenders, brokers, etc.). Furthermore, any rules that are past should take into account the details and processes required to originate a mortgage.

I thank the Federal Reserve Board of Governors for their time and consideration of my comments. I look forward to working together with the National Association of Mortgage Brokers, the Federal Reserve Board, and our Legislative Branch to help our industry get back on the right track.

Respectfully,

Carlos C. Colón

Sloan Mortgage Group
Direct Line: 321-961-0545
Fax: 407-901-4952