

From: "Todd Caldwell" <tcaldwell@apfadvantage.com> on 03/25/2008 11:10:04 AM

Subject: Regulation Z

Dear Federal Reserve,

I just read the proposed amendment to Regulation Z and I am appalled at the unfairness to brokers versus banks. First, if you had banks disclosing YSP up front and their fees like you would like to require us, I would be happy. However, this seems like an undo burden to put on mortgage brokers. It seems that this is a backlash to the subprime business where mortgage brokers are taking the blame. In reality this mess was created by banks as well. For example, I have lost several deals to retail banks that have rubber stamped their own appraisers when I could not get a loan through a typical wholesale bank because the property wouldn't appraise.

In my experience, more disclosures will just confuse the buyer and kill a few more trees. Buyers have multiple outlets and can shop us to death as it is. Buyers shop banks and brokers all the time. Why do you want to confuse them anymore? There is always a way around the disclosures as well. For example (requiring us to make a big deal about the YSP up front when we first talk to someone), I can just tell people that this is a government mandate and if they ask about how much we are making I can just say that banks make that and they don't have to tell you. What if the rates change? Also, if brokers are as evil as this bill makes us out to be, then people will sign whatever we want them to sign and back date the GFEs. I have seen brokers do this in the past. In addition, I can just make extraordinary assumptions that everyone has 800 credit and is putting 20% down and then re-disclose. This seems like it was written by someone who has no experience in our field and has never had to educate a consumer about the mortgage process. If they had, this amendment would not be considered right now.

The solution is not more paperwork. The solution is educating the consumer. More disclosures in the manner you have suggested is absurd. What about the Up Front Mortgage Broker? I usually fall into that category. If we try and act like the good guys then we will get hurt by the banks who don't have to do this. There is a double standard already and this amendment would make it worse.

Folks, I am a college graduate, Purdue, and I have chosen to make this my profession. As a professional salesman I see this amendment as a knee jerk reaction to what is happening in the subprime market and is not well thought out. In my world, I beat banks daily on rates and fees, but somehow I think that the banks will control the market and the broker's days might be numbered if you pass this bill. Banks can use this against us and we will never get a chance to compete.

Sincerely,

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