

From: <MICHAEL.ANTONICELLI@fortisinvestments.com> on 03/26/2008 01:10:02 PM

Subject: Regulation Z

Dear Ms. Johnson,

As an investor of mortgage-backed securities, I believe the current HOEPA reform and its segment on Appraisal-Related Requirements should go further and prohibit mortgage-brokers or real estate agents from being involved in with the appraisal of a property for a lender altogether. Given the fact that property appraisals involve a certain element of subjectivity, and often have direct influence on the amount that can be borrowed and whether or not a sale occurs – even the possibility for conflict in this regard should not be present – lenders should be required to contract with independent appraisers directly. Investors in MBS rely on the weighted average LTV ratios in these pools, and if appraised values are overstated then defaults and loss severities will naturally be higher.

A completely independent property appraisal firm should be engaged by the lender without any involvement of brokers. Part of the reason the U.S. is in the subprime mess it's in is because brokers had a hand in the appraisal process and made sure the 'right' value was assigned to property to ensure mortgage approval. If no sale is consummated, then often no fees are paid to these brokers; hence, the reason why they would like a part in the appraisal process if they can have it...

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