

From: "Brian Weldon - Alliance Mortgage Funding, Inc." <brian@themandisteam.com> on 04/08/2008 08:50:03 AM

Subject: Regulation Z

To Whom It May Concern,

I applaud the Federal Reserve Board for trying to implement measures that would benefit all consumers applying for a mortgage. However, in making the rules it is imperative the Board applies changes to all originators and not just the brokers.

In reference to the proposed rule amending Regulation Z it is not possible to quote a specific dollar amount of total compensation before an application is taken. There are entirely too many variables, some which are: Type of loan, borrowers qualifications, tri-merge credit scores, loan amount and loan to value.

If we disclose our compensation before we have the exact details of the transaction we could very possibly misquote our compensation. For example:

Many clients start the pre-approval application process "before" they find a home to purchase because it gives them the advantage over other buyers when submitting a contract. The seller will have more confidence in the buyer that has already spoken to and submitted an application with income and asset verification. How can we quote the exact broker compensation when the client has not found a home of choice? In addition, if the down payment for the transaction is contingent upon the net proceeds from the sale of the borrower's existing home it would make it virtually impossible to calculate the brokers compensation.

A detailed Good Faith Estimate is the key to shopping for a mortgage. Once a buyer receives the estimates they can calculate the TOTAL cost of obtaining a mortgage. Comparing each line item is the key in determining what is best for the consumer. Not, how much the broker is going to make on a transaction. This will ultimately confuse the buyer raising questions why Banks/Lenders are exempt from this rule. "Should I trust this Loan Officer that works for a broker?" Our competitors will steer consumers away from brokers by implying they cannot be trusted or they have to disclose all fees and compensation because they supposedly caused the problem in the mortgage/housing industry.

We compete with lenders for most of our transactions. Whether or not we are direct lender is not an issue with the borrower. They are concerned about the terms of the loan and the costs associated with obtaining a mortgage. We are able to shop for better rates and programs for our clients because we have more avenues to place the loan. Our overhead is lower than that of the large companies allowing us to pass along savings to the borrowers. Most direct lenders have broker agreements with other companies. They should be held to the same standard. Otherwise you will put brokers in a position where they will not be operating in a fair or equal business environment and forcing the reputable majority of small business owners out of business. By taking this approach to restrict mortgage brokers compensation you will be eliminating competition in the marketplace and driving up costs for the working families.

Alliance Mortgage Funding, Inc. has been in business for 15 years. Our Company's reputation is known for integrity, honesty, competitive rates, superior service and strong work ethic of all its employees. All our business is by "referral only" and our mission is simple "People before Profits and Relationships before Revenue" our clients needs have and always will be our number one priority.

I strongly believe there will be unintended consequences if all Originators of mortgages are not held to the same standard industry wide.

I am proud of the service Alliance Mortgage provides to consumers and respectfully request you consider my comments on this matter.