

From: "Maureen Wolfe" <maureen@northstarhomeloans.com> on 04/04/2008 01:25:05 PM

Subject: Regulation Z

*From Maureen Wolfe (nee: Auld)
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Dear Board of Governors,

This is my 22nd year in the mortgage industry. I am very proud of my career and my professionalism. I have had the opportunity of working for a bank, Wells Fargo, for 11+ years before I changed to working for a broker, Northstar Mortgage. There are many reasons I changed to brokering, but the leading factor is that I want to offer my clients competitive and fair programs. Each bank has a limited number of programs with a set rate. As a broker, I can shop for the best rate for my clients. Some investors and banks are able to offer better rates on the same program simply because they operate more efficiently.

When I take an application, I may not know to which investor I am sending the loan - because I don't have the rates for that day, or perhaps I don't know the applicant's credit score is. I cannot disclose the exact amount my company will gross from the loan because I do not know until I process their credit and lock-in a rate with a specific wholesale investor. For example, I lock in a purchase loan of \$100K with a rate of 5.625% on a 30-year fixed rate on a 80% loan-to-value. My gross profit is going to be \$1000, which I disclose. This pays for the processor, originator, broker, health insurance, workmen's comp., social security, utilities, etc. - everything any operating office pays for - banking or brokering. I run the borrowers credit report and the middle score slipped to 679 because of a one-time error they made. Now their score is below Freddie and Fannie's cut-off and I have to charge 1.25 points, or \$1250 to do the same loan. So now I am paying \$250 to close the loan; and processor, utility companies, health insurance companies, etc. still have to be paid. The borrowers did not want to run their credit before filling out an application because they want to know the rate that I can give. Borrowers are getting smarter - a very good thing - and know that running their credit multiple times will hurt their score- this is a one time shot.

If your goal is for mortgage brokers to disclose the yield spread premium upfront, then shouldn't all originators do this? Banks know exactly how much gross profit is in a loan.

The rules you are proposing make it appear that a borrower applying to a bank is better off than applying to a broker - which is untrue. If you haven't already done so, I would suggest that a representative from mortgage banking and mortgage brokering give you input on how you should proceed.

My ultimate goal is, and always will be, to get the best program I can get for my borrower - and the best way I can accomplish this is to broker loans. Please don't let the few in the mortgage brokering and banking industry stain my reputation or my ability to help would-be and current homeowners.

Thank you for considering my input.

Respectfully,
Maureen Wolfe
Northstar Mortgage
301-753-4091

Maureen works for you!

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