

From: "Kurt Herrenbruck" <kurt@fishmanfinancial.net> on 04/07/2008 09:45:05 PM

Subject: Regulation Z

To whom it may concern;

I am writing regarding the Board's plan to implement changes to the Reg-Z disclosure form. The best way I can address this is to draw a parallel to the grocery business.

Let's agree there are a couple of types of entities which sell groceries to the public. We have the large chain supermarkets - Safeway would be the CA Bay Area example. We have the health food chains, like Whole Foods, and other, smaller independent health food stores. And we have the 7-11 and gas station-type mini-mart stores.

We know that Safeway sells products that are good for consumers, like vegetables and whole grain items, as well as products that are harmful to consumers, like cigarettes and junk food. The mini-marts sell some healthy options but mostly harmful junk food products, and the health food stores sell mostly products which are beneficial to consumers, like organic produce, low-fat prepared foods, and non-toxic/sustainable household products.

All of these entities sell "groceries" yet we could make a case that not all serve consumers healthiest interests in equal measure.

We also know that mortgage loan products, like groceries, are offered through different channels. There are the large, national and regional banks such as Bank of America and Suntrust, smaller regional bankers which fund loans through institutional lines of credit, and independent brokers who act as middle-men between the borrower/consumer and these other entities.

Recent history has made it abundantly clear that some of these channels failed in offering consumers the healthier choices, and some made it too easy for the consumer themselves to make unhealthy choices. But there are a vast majority of mortgage brokers who consistently, year after year, have offered their clients the healthiest mortgage choices.

We here at Fishman Financial Group - a small 6 person shop in Berkeley, CA - have the repeat clients to prove that for over the past 15 years we've been supplying our clients the best choices for their home mortgages. We feel our ability to continue to provide our clients with the healthiest choices will be severely and negatively impacted by the proposed changes to the Reg-Z disclosure form.

We are already mandated by State and Federal law to disclose to our clients our relationships with our lenders. We are already mandated to by State and Federal law to how we earn our commissions. We are already mandated by State and Federal law to disclose to our clients they are free to shop and compare our rates/fees/terms with any other entity. And, most importantly, UNLIKE banks, we brokers are already mandated by State and Federal laws to state PRECISELY how much we are being paid in yield spread premiums, and we are mandated to disclose this multiple times on multiple forms at multiple times during the loan process.

We feel that the proposed Reg-Z amendments will hamstring our ability to accommodate our clients needs by eliminating our ability to negotiate a better deal for them should better rates/terms/fees become available after our initial disclosure. By limiting brokers such as us to offering one single mortgage package to our clients, you remove our ability to serve them at a high level should a better product become available after we have initially disclosed our terms, or if the borrower themselves decides to move to a different mortgage strategy.

Clearly you must know that mortgage rates and fees change virtually daily. How is a client better

served if we brokers are not allowed to present our clients with better rates/terms should the market move favorably in the clients direction during their loan processing period?

Would the Federal Government force Safeway and 7/11 and mini-marts to close because some of the groceries they sell are unhealthy? Would the Federal Government limit Safeway and 7/11 to alter their products to meet a shifting market? We see that Safeway, because they ARE allowed to respond the customer requests, is offering far more organic products. 7/11 is offering more eco-sensitive products than in the past. And the Whole Foods market keep moving right along, free to offer their consumers the best products available, region by region.

It is for these reasons, the reasons supporting mortgage brokers the continued ability to offer our clients the healthiest mortgage choices, that we oppose the proposed changes to the Reg-Z.

Thank you for your time. Peace, Kurt Herrenbruck CA Dept of Real Estate License # 01176126

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