

Miami, FL  
April 8, 2008

Dear Board of Governors of the Federal Reserve System:

I could not let this opportunity pass by to express my comments and represent the professional mortgage brokers that take pride in doing their job professionally, helping borrowers and lenders meet their ends by us facilitating as intermediaries to the real estate transaction by serving BOTH parties yet representing NEITHER. We match the right buyer with the right lender according to the circumstances, price, programs, requirements, etc. Without us, buyers would confront a cumbersome, complicated, confusing process that would leave them at mercy with usually the first and only lender they consult at advantage over them. On the other hand the lenders without us, are not going to be able to connect with as many right buyers.

Consumer protection goals are fine, but restricting our compensation by disclosing upfront all compensation to give a reasonably precise dollar estimate of the fees a broker will charge in a transaction even before an application is submitted is impossible, due to the fact that we will not yet know the prospective borrower's financial status, transaction details, type of product sought, amount of loan, all of which may vary as the transaction progresses. I respectfully oppose this proposal, since it will clearly put us in disadvantage with all competitors which are the lenders themselves whom will not be required to disclose compensation the way we will be required enabling them to control and steer consumers away from brokers, even if brokers offer more favorable loans! I insist that any disclosures should apply equally to ALL mortgage originators, not just brokers please. If we keep all terms and rules equal among all mortgage originators, this will benefit and protect consumers on price and service and it will encourage fair competition.

Also most importantly it will prevent from disappearing the profession of brokering a mortgage for the benefit of buyers and lenders. Something that greatly concerns me and my professional colleagues that put our best efforts on behalf of borrowers and lenders, making us proud and with desire to preserve our profession.

Thank you Board of Governors of the Federal Reserve for considering my comments.

Sincerely,

  
Jose Escalante Jr.  
Miami, Florida

"Docket No. R-1305"