April 3rd, 2008

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Ms. Johnson:

Suggested Bullet Points to Include in Your Letter:

My name is Marie Nelson and I am a loan originator for Veritas Mortgage Group in Tacoma, WA. I am writing to let you know that I am in support of the Federal Reserve Board's amendments with the consumer's protection in mind. I respectfully and adamentlty disagree to the proposal of the compensation restrictions for mortgage brokers.

The proposal creates the inability for brokers to continue getting paid for what they do. Mortgage Brokers are a critical part of the American Real Estate and Financial picture. Eliminating them by cutting out their compensation removes the checks and balances of the banks. Banks will quickly become such a mega power and the power choose will be limited. Control will be completely in the governments hands alone because that is where banks get their loans from. The American Government is always proclaiming that this is our country and a country in which our freedom of choice is not limited.

In my home state, Washington, we are so regulated through disclosures and adequate monitoring that we have experienced relatively little flux during this mortgage tsunami. A brokerage's entire team has to be so thoroughly investigated to be approved by Washington state as well as licensed as well as educated that it leaves the most qualified people in the brokerages and not in the banks. Have you seen the average bank mortgage officer fumble through a computer generated loan program trying to sell you alone product that they know nothing about, nor do they even own their own home.

Here's a couple of points for your consideration:

- Mortgage brokers provide an intermediary service between borrowers and lenders, we ADD in a real estate transaction by serving BOTH parties, but representing NEITHER – unlike a bank. Unbiased opinions!

- Mortgage brokers must compete with direct lenders, and the distinctions between brokers and lenders have blurred in recent years as lenders themselves typically package and resell loans they originate

- Consumers are largely unable to distinguish between brokers and lenders, which have similar names, use similar signage, and rely on similar advertising

- Lenders/ Banks should be required to have any disclosures apply equally to ALL mortgage originators, not just brokers for the protection and mainstreaming of everyone involved.

- Yield spread premiums (YSP) is much more than just compensation, it is used to pay certain costs (such as licensing – which bank originator's are not required to have) and facilitate the loan transaction

- In the real world, requiring brokers, but not other loan originators, to make compensation disclosures enable the brokers' competitors to steer consumers away from brokers, even if brokers offer more favorable and protective loans.

- It is impossible to give a reasonably precise dollar estimate of fees a broker will charge in a transaction even before an application is submitted because the broker does not yet know the prospective borrower's financial status, transaction details, type of product sought, or amount of loan, all of which may vary as the transaction progresses

- The Fed should consider alternatives to the proposed regulation which would protect consumers in their dealings with all mortgage originators, and encourage competition on price and service

I truly appreciate you, your time, and the Board of Governors of the Federal Reserve for considering my comments.

Thank You!

Marie L. Nelson

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