

**From:** nicholas.barta@comcast.net on 04/04/2008 04:10:02 PM

**Subject:** Regulation Z

Dear Board of Governors  
Federal Reserve System

RE: Docket No. R-1305

My name is Nicholas Barta. I own Vintage Mortgage, Inc. in Greenwood Village, Colorado. I have been in the mortgage business for the past 20 years. Some of that in banks and some as a mortgage broker.

It seems as though mortgage brokers are being blamed for the entire housing/mortgage crisis. I am in favor of protecting the consumer and making it easier for them to understand the lending process. I don't see how restricting the compensation to mortgage brokers is going to do anything except give consumers fewer choices. The mortgage professionals that I employ are good people who have families and they don't take advantage of our customers. We don't use deceptive advertising and it is a great source of pride that we help people attain the American dream of home ownership every day.

I have never made an underwriting decision on a loan as a mortgage broker. We gather the information, put it together, and submit it to an underwriter at a larger mortgage company or investor. That person makes the decision on the loan. If he/she approves it then their company lends the money. We work with the borrower and the institutions to get the information necessary to make a decision on the loan. We work with the borrower to find the type of loan or loans that they will qualify for and then give them the information to make educated decisions. The notion that we are putting borrowers into loans so we can make more money on them is ridiculous. The mortgage market is very competitive and if you are not competitive you will not get the business. There has never been a reason to put borrowers into a sub-prime loan if they qualified for a government or conventional loan. Mortgage brokers don't on average make any more money on a sub-prime loan than they do on a conventional or government loan.

We are in direct competition with direct lenders and many of them sell the mortgages that they approve and fund shortly after closing. It is difficult to tell the difference or at least for the consumer to make a distinction. The proposed new disclosure would allow direct lenders and banks to create an unfair market. They could steer customers away from us because we have to show our profit and they don't. Yield spread premiums are used to reduce the amount of closing costs that borrowers have to pay in many instances. To make this disclosure before being able to evaluate the consumer's credit, income and general ability to pay the loan back would be nearly impossible. We would be guessing in many cases. I am sure that is not what you are going for. If there has to be a disclosure, it should apply to everyone who originates mortgages. All credit unions, banks, direct lenders etc. should have to show exactly how much they are going to make on that transaction.

This has simply become un-American. We are a free enterprise country. As a mortgage broker I sell the loan products that are offered to me. You don't see the car salesmen having to tell the borrower exactly how much the car was purchased at the auction for or I certainly don't see any furniture companies listing their cost on the price tag. When is last time an attorney gave you a written amount before he looked at your case and then was told that is all he can charge even if the case takes twice as long as he estimated. As a Board of Governors, do you tell everyone in writing how much of your pay you will receive from speaking to them or working on a particular docket? If anyone would really look at this, they would understand that it is a communist idea.

I understand that we are the scapegoat group of the time, however, saying that this is all our fault is like saying that the Federal Deficit is your fault. Please consider consumer protection that will cover all loan originations and loan originators. Please don't single us out because you don't know who else to go after. If you want to change the landscape of lending, approve the products that lenders are allowed to offer to the brokers for sale to consumers. Make the lending community responsible for their actions for once. Please keep in mind that competition is a good thing for consumers. If you reduce it, the lending world will get worse for most consumers.

Vintage Mortgage has been in business since 1997 and we have never had a complaint with the Better Business Bureau, HUD, or any state agency. We are not all the sleezeballs that we have been made out to be.

Thank you for your consideration,  
Respectfully,

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