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Compliments of: Viral (Vic) Joshi

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ate with the lender to reduce their minimum commission requirements and I am now very close to closing this deal with the lender that I wanted to work with and at a rate and cost structure that favors my client.

This type of negotiation could only happen with a lender that I have a long standing relationship with and these relationships happen over the course of years. Many of the other larger lenders do not allow any special changes to their compensation plans. I am experiencing this right now with a lender that I have done a lot of business with but who is too large to be willing to make concessions to retain business partners such as myself. Some lenders have niche products that really require one type of compensation plan while the rest of their products function better under a different compensation plan. Unfortunately, lenders are forced to offer only one compensation plan to each broker and that plan is usually locked in for three months *before* changes can be made.

These new rules seem so arbitrary and they favor the banks since the banks don't have to play under these rules in the slightest bit. No surprise here; the banks continue to limit competition while the brokers who have all the experience, who have spent years cultivating banking relationships, and who wade through the banking morass to find the best situation for each client are again given an uneven playing field. The end result continues to be less choice and more cost to the consumer. It truly boggles the mind how our clueless politicians

can be so blatantly in bed with big business while they continue to espouse helping the consumer as their reason for allowing big business to control the market place. I wonder sometimes if the consumer is truly as gullible as the banks seem to think. It seems more and more that consumers trust the banks even though the greed of the banking industry has brought our economy down to it's current state. The billions of dollars spent on TV ads with smiling, happy people seem to work really well at helping people forget who got us here. I know there were many unscrupulous brokers, but those guys are pretty much all gone now and can't hack it in this tough economy.

OK, enough of my complaining. I have been writing to my congress people and sending money to my professional advocacy groups hoping that we can be heard. It would help if any of you, who have experienced the incompetence and avarice demonstrated regularly by the big banks, take a moment to voice *your* opinions to your congress people as well. In the meanwhile, I will continue to offer alternatives to the big banks when it comes to mortgage lending and I relish the opportunity to compete with the big banks and help my clients get the products, pricing, and service that everyone deserves.

Before I forget, rates hit a six month low on May 9th, so don't forget that this is a great time to get a mortgage, if you can qualify for one. Let me know if you would like a free consultation.

As always, your loan guy
Viral (Vic) Joshi

Vic's **Mortgage Report**

"Home of Free Mortgage Consultation"

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Hello Friends,

Broker compensation changes have gone into full effect and we had a little over a month to see how they

are affecting the way we do business. I had a weird situation happen on a new purchase loan that I was working on for a friend of mine. She was purchasing her first home, a small condo in Oakland that was bank-owned and selling for less than half of what the original owner had paid for it. Her loan amount was just a shade over \$100,000 and based on the lender paid compensation structure that I had to use with one of my lenders, we were not able to meet the minimum commission amount as set forth by this particular lender. The lender decided they would decline the loan since there was no way for me to earn their minimum compensation using *their* lender paid compensation structure!

I was willing to reduce my commission to make the deal for this dear friend of mine, but we are no longer allowed to do that, thanks to the Federal Reserve and their new rules that are supposed to *help* the consumer. Of course, I could have gone to a different lender who either had no minimum commission requirement or who paid a lot less in commission, but I wanted to work with a lender with whom I have years of experience working with. This transaction being a REO, Real Estate Owned or Bank Owned, property meant that I would need all the tricks in my bag including leverage with the lender I was to work with on my client's behalf. Fortunately, I was able to negoti-

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