

**From:** "Scott Carson" <scott@arielcap.com> on 03/28/2008 04:55:03 PM

**Subject:** Regulation Z

I wanted to express my concern regarding some of the proposed changes that you are considering. I am what you would consider a small mortgage broker. I have several loan officers that work under me. I consider us to be all ethical in nature. We all take the time to explain the loan products and take the time to find out what our clients are looking for in the terms of holding periods, budget, ability to pay, etc. But with some of the proposed changes, you will be putting hundreds of thousands of similar mortgage brokers out business taking away our ability to make a living.

The one proposed change that I find absolutely ridiculous is requiring us as brokers to be able to determine if the borrower will be able to repay their loan in seven years. The last time I checked, I was not psychic or had a time machine or a crystal ball to see into the future? Maybe I should hire one to be a processor for me? Do you know what you will be doing in seven years, let alone a year? I've changed jobs 4 times in the last 7 years! I have gone through some tough times and been in preforeclosure, but did I blame the mortgage company for my inability to pay, NO! I blamed myself and got off my ass and got a job. WE have got to change our mentality and start arming people with education and stop penalizing the mortgage brokers for doing a job. Was there some unethical mortgage brokers? Yes, but that number is far outdistanced by the number of ethical individuals.

Another item that you should drop is us having to disclose our upfront and backend fees or YSP. While we must provide a Good Faith Estimate that outlines our fees, these fees are subject to change slightly if we have to increase our processing fees due to copies, ordering surveys, or having to pay to extend a loan lock fee. While I do like to make some money for having a certain "salesmanship" to getting a bit of YSP on the backend, that should be a bonus for my years in business and my ability to make a living. If you are going to require us to disclose what we make on the backend, you should require banks, savings and loans, and any other organization selling something to disclose what they make on their transaction. People have the right to shop for a better deal! If they chose not to, that is not my fault. They as a consumer must take some blame for their actions. I am not the only mortgage broker in town!

Basically, you are penalizing the industry and not the individual. If you look at our nations SAVINGS DEFECIT the last few years, that is the problem. We do not teach our children basic numerical and financial principals. If you want to find a way to help those in trouble, fine. If you want to penalize the actual lenders, fine! But do not penalize the thousands of hard working mortgage brokers who are operating ethically and serving the clients. Do not let your search for a scapegoat land on the throats of the American Tax Payer and Entrepreneurs of this great country.

**Yours in Success,**

**Scott Carson**

**Scott Carson**

Inverse Investments, LLC  
Loans-Notes-Real Estate Investing & Coaching  
[512-275-6350](tel:512-275-6350) Everywhere  
[512-585-3810](tel:512-585-3810) Cell  
[877-226-9293](tel:877-226-9293) Fax  
[1scottcarson@gmail.com](mailto:1scottcarson@gmail.com)

*Do not go where the path may lead.....Go instead where there is no path and leave a trail...*  
**Ralph Waldo Emerson**