

From: "Okley Post" <opostjr@perceptivestrategies.com> on 04/02/2008 09:05:03 AM

Subject: Regulation Z

PS Funding Company • 2517 Nasa Parkway, Suite 4, Seabrook, Texas, 77586 • Office 281-532 -1703, Fax (281) 532-0216 • E-mail opostjr@psfundingcompany.com •

April 2, 2008

To: Whom it May Concern

Subject: "Docket No. R-1305"

From: Okley Post

We do not agree with the proposal to make disclosure of an exact dollar amount of Yield Spread Premium (YSP) a Mortgage Broker will charge a client. As usual, when we face severe problems in this country our leaders overreact. You are punishing a target group instead of the group who caused the problem in the first place. In this case, the lenders and banks.

The sub prime mortgage mess was caused by over zealous lenders trying to originate as many loans as possible to make large sums of money. Unfortunately, the guidelines those lenders provided to Mortgage Brokers were ridiculous and much too liberal. Mortgage Brokers had nothing to do with the guidelines provided to them by banks and other lending institutions. As a matter of fact, many of us continuously questioned lenders concerning the loose and liberal policies they were advertising and accepting.

The problem, with Docket No. R-1305, is that it unfairly targets a small group without applying the rule to the entire industry. If we are to require Mortgage Brokers to disclose an exact amount of YSP prior to locking the rate, then, we should also require banks and other retail lending institutions to do the same. Why just target Mortgage Brokers??? As a matter of fact why not require Attorney's to set an exact price for their services and not just an hourly rate?? Why not require merchants to disclose the wholesale price of their goods to all consumers??? Let's make sure OIL COMPANIES tell consumers how much money they are making on a gallon of gas prior to the pump turning on. This is an unfair and ridiculous proposal and should be voted down, or, it should be modified to include everyone. Our office has a policy of discussing how we are compensated. Our clients understand YSP. We are comfortable with disclosing how we are compensated. However, we should be able to negotiate a rate just as other retail establishments negotiate prices without having to disclose our profit margin. We already disclose

the “Origination Fee”, all other fees, and YSP range (i.e. 0 – 3%) on the GFE when the client applies for the loan. Additionally, we disclose all fees the actual amount of YSP paid by the lender on the HUD at closing.

Should we be required to disclose prior to locking the rate, it will place an inordinate burden on the Broker and stifle the Brokers ability to shop rates or lock the rate at a later date should rates decline. Our hope is that the leaders in our industry will make the right decision and not invoke this rule.

Thank You,

Okley L. Post Jr.

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Lt. Col. USAF Retired