

From: "David Satow" <dsatow@smimortgage.com> on 04/03/2008 11:25:04 AM

Subject: Regulation Z

To whom it may concern,

My name is David Satow and I am from Plano Texas. I just want to write a quick email commenting on the new proposed amendment to Regulation Z. I understand the proposed amendment would require disclosing yield spread before any application is taken. As a mortgage professional, it takes time to fully understand the potential borrower's situation or what unexpected events might be discovered through the application process. These unexpected events could change the lender's pricing of the loan due to the risk level of the loan. This would in turn change how the loan would be structured. By having to disclose this up front as a mortgage broker would limit any necessary change that might need to take place or make difficult to disclose in a timely manner. Yield Spread is not only for broker commissions, they are also used for paying necessary fees that the borrower may not be able to pay. That is why commissions are disclosed on the Good Faith Estimate, as an estimate, and we are required to stay within 3% of that estimate. For example, if you hired a plumber to give you an estimate on replacing some plumbing. He would give you an estimate on the work but once he got started, found out that behind the wall the whole plumbing needed to be replaced... The current estimate would be no longer valid. Also, other big business lenders such as Bank of America have an unfair advantage over small business. Would BOA have to disclose how they advertise their no fee mortgage????

David Satow
SMI Mortgage
972-380-7237
Fax 972-739-2163