

**From:** "William (Bill) Parker" <bill@twomortgageguys.com> on 04/08/2008 01:45:02 PM

**Subject:** Regulation Z

Board Member:

I am a CPA by training, but have been a Mortgage Loan Originator by choice for the past nine (9) years. I respectfully submit my comments on the Federal Reserve Board's proposed amendments to Regulation Z. While I strongly support the overall intent of the proposed changes to Regulation Z, I have to speak up regarding the sections I do not believe, in the real world, would accomplish the stated objectives. My comments will deal with one proposed change and one that I propose.

First, with all due respect, I cannot fathom how it can be justified that requiring those Loan Originators who work for Mortgage Brokers to disclose the compensation they receive from lenders, in the form of Yield Spread Premium, while not requiring the same of their counterparts at Mortgage Bankers, is in the best interests of full disclosure to consumers. If it is determined that all aspects of a mortgage transaction should be revealed to the consumer, including compensation, then how can it be a good idea to only require it of mortgage brokers? Consumers will assume the Yield Spread Premium is something only being charged by Mortgage Brokers, which will put us at an unfair disadvantage, eventually leaving only Mortgage Bankers to do mortgages, without having to reveal their compensation. Seems somewhat self-defeating.

In addition, it has always bothered me as a small business person, that as a Loan Originator I have to become a criminal in order to run my business in a manner that is common place in almost all other professions. Section 2607(a) establishes a "Prohibition against kickbacks and unearned fees" and states "No person shall give and no person shall accept any fee, kickback, or thing of value pursuant to any agreement or understanding.(as) part of a real estate settlement service." (emphasis added). After reviewing administrative cases wherein mortgage companies were written up by our Arizona Department of Financial Institutions for spending \$25 on a platter of donuts for a real estate office, it appears obvious to me we are focusing on the wrong issues. Without further ado, please establish a \$50 de minimus rule to allow those of us who try to follow the rules to compete at least minimally with those who chose not to do so.

Sincerely,

Bill Parker, CPA\*  
The Mortgage Guy

\*Licensed, no longer practicing

Sincerely,

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