

From: "Betsy Parker" <bparker@bluegrass.net> on 04/07/2008 11:40:03 AM

Subject: Regulation Z

Board of Governors,

I would like to address some concerns with the proposed docket. I realize the importance of some of the issues dealt with in this proposal. However, as a Mortgage Broker and a Professional I have some justifiable concerns regarding the issue of Yield Spread Premiums.

I own my company and rely strictly on referral and repeat business from my clients. They typically get a better rate by going through my brokerage than if they go directly to a bank. The bank does not disclose their profit margin. I have a hard time understanding why the mortgage broker would have to disclose their profit margin and the bank would not. If they are getting the same rate or, as in many times, a better rate, it seems that the brokers are being profiled as an entity. In my Calyx software I have always disclosed the mortgage broker agreement that simply states that I am paid by the banks I sell to. My customers realize that I do not work for free. I also personally tell my customers that I typically make between 1 and 2 percent of the loan amount on the loans. This percentage too is disclosed on my Good Faith Estimate per Kentucky law. Also, because I am a broker, I disclose the amount I make on the HUD statement at closing.

Banks do not have to disclose any of the above information. I have a hard time understanding why they are not subjected to the same scrutiny as Brokers. Many of the attorneys that I have worked with over the years have repeatedly told me that the banks do not have a representative show up at their closings. I go to all of my closings. I tell my customers that the Good Faith Estimate is just that, an estimate, however if it is off more than a couple of dollars they have a justifiable complaint.

I do FHA, VA, and Conventional Loans. I am not a subprime mortgage broker. If the problems lie with the subprime brokers we may want to consider special parameters for them. I do not see the need to persecute the ethical professional brokers who are making a decent living and working hard to maintain their reputation in such a finger pointing political arena.

It would seem, after watching the specials on television and reading as much as I can about the issues at hand, that we look more closely at the conflict of interest entities. When the builder/developer owns the real estate company, the mortgage company and the title company and is driving their own markets with promises of 0 down payment and no closing costs we have a real issue of ethical professional treatment. The people that buy into these areas cannot sell their homes because they cannot compete with the promises given by the developer/builder. They are not in a position to play with the numbers and have their fingers in so many different pots. Has this issue been addressed at all?

I thank you all for realizing the importance of guidance in my profession. My main concern is that I can remain proud of my business and not feel that I have to indicate to my customers that I am not as ethical or professional as any bank employee. The mortgage brokers who are successful and have made this business their life's career are decent people who deserve to be treated with respect and not looked upon as criminals. We simply cannot punish the masses for the sins of a few. Are all of the foreclosures a

result of brokers? Were all of the bad loans a result of brokers? I think the banks bear the same responsibility as the rest of us. I sell to Fannie Mae and Freddie Mac. They set the parameters. I follow their direction when I enter the client's information into their system and submit my package with the required documentation requested by their rules.

Thank you for your time and I hope you can understand my concerns.

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