

**From:** "Scott Young" <scott@blueskymortgagegroup.com> on 04/07/2008 02:20:03 PM

**Subject:** Regulation Z

I am submitting this letter referencing the proposed rule amending Reg Z, and specifically the portion that would require brokers, but **not other mortgage originators**, including correspondents and banks, to disclose the specific dollar amount which the broker would earn from a transaction, including yield spread premiums. That disclosure would have to be made *before* the consumer paid any fee to any person, *and* before submitting an application. Brokers may only receive compensation disclosed in that manner. If there is no such disclosure, the mortgage brokers cannot be paid by any amount by any party, lender or borrower. If you make this change to the rule, you might as well slit the throat of all mortgage brokers. I switched from being a correspondent banker to a broker in that I like the transparency of the client being able to see, before loan closing, the remuneration being paid to me. That way, my clients know that they have paid for my service and that they have been treated fairly. Forcing us to talk about what we will be paid before doing anything else focuses on our remuneration, and not the client's needs. This is very strange and places us in a very uncomfortable situation, as people generally do not understand that mortgage brokers are paid pretty well relative to many professions. Further, it tilts the playing field fully in favor of correspondents and banks. This playing field is already in their favor, since they do not disclose their remuneration at all to clients, and how many times have I been sickened by some scumbag correspondent boast about how much he or she made on a loan. They totally miss the point of why we deal with such a stressful, intellectually demanding job where we must act as part financial counselor, part psychologist to help our clients along the road to financial success. Mortgage lending is a veritable hell these days. I am glad that our industry has been cleansed of most of the bad brokers and bad loan programs over the past year, and some of the changes to Reg Z will be helpful, but disclosing our income as is being suggested is 100% WRONG and needs to be stricken from the changes. We brokers are always the ones being hammered, and we are the backbone of the lending industry. We already are the only ones who disclose our income to clients, and the way it is now is the way it needs to be. PLEASE, PLEASE take heed and let us do our already very difficult jobs without throwing further knee-jerk, useless conditions on us.

Sincerely,

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