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Subject: Regulation Z

The new rule that would require mortgage brokers only to disclose yield spread premiums as a credit to borrowers is completely unfair to small business.

If all originators had to abide by these rules, it might make more sense. But all others will argue "how do we disclose a figure when it is not known yet". This is a technicality they can play on. They know of a general range of what they will be paid, but because it is not known exactly, they don't have to disclose it, the way the rules are now.

Brokers are the only one's that have an exact figure as the loan is being sold the day of closing. All others get to skate on a technicality. This is completely unfair to small business.

Not to mention having to show this as a credit to the borrower. This is the most ludicrous thing I have ever heard of. It is not a credit to the borrower. It is the amount that a lender will pay us for selling a certain interest rate. We get money at a wholesale rate from a wholesale lender, as with any business that obtains goods at a wholesale price and then marks it up for resale. YSP is marking up the cost of goods we sell people. How can you call it a credit to the borrower?

Better make all industries disclose what the cost of goods are and how much they are marking it up. I have no idea what a gallon of milk cost the reseller.

Why should a borrower know what it cost me to get money for them? Worse, I have to show it as their money and turn around and take it back from them. LUDICROUS and just plain STUPIDITY!!!!

The simple problem with the mortgage business right now is two things happening at the same time. Real estate values declining hard in certain areas and in these same areas you have many borrowers that chose an ARM mortgage and their rates are adjusting upward. If these two things were not happening at the same time, we would not be experiencing anymore problems in this industry as before. If the real estate markets would have not declined all of these loans would be refinancing and no one would even be talking about it. This is called "markets" and the way life/business works.

Instead everyone is trying to find someone to blame it on and of course the blame will always go to the small guy that has a hard time defending themselves.

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