

**From:** Karin Bawcom <kbawcom@msn.com> on 04/07/2008 06:50:03 PM

**Subject:** Regulation Z

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From: kbawcom@msn.com  
To: regs.comment@federalreserve.gov  
Subject:  
Date: Mon, 7 Apr 2008 13:55:31 -0700

To: The Federal Reserve

From: Karin Bawcom

RE: Proposed Rule Change for Reg Z

Dear Sir:

First I must state that I am a State of Nevada licensed Broker Agent. I reside in Reno, NV.

The proposed rule change that will require brokers to disclose the YSP or rebate received from the lender on a loan is biased and unfair.

At this point in time, brokers must disclose the YSP or rebate that is received. It totally misleading and unfair to the public that all entities that provide mortgage loans are not required to totally disclose our much money they make and how they make it.

All lender entities work with YSP. The large banks have a Secondary Market Department that adds at least a 2 point spread before the rate is given to inhouse staff to put out in loans. The bank originator then has the option of charging the customer 1 point or providing a higher rate and being paid from the rebate offered by the Bank. That is ABSOLUTELY no different that the way I am paid from the wholesale side of the same bank. How do you think Banks make money?? The spread added by the secondary market department is the Banks income. The fee charged by the originator pays the cost of the mortgage department. All entities work with YSP and all should disclose completely on the Good Faith and TIL.

The worst offenders are the major builders that have their own mortgage companies. Most are so called mortgage bankers, even though these companies sell immediately and do not service loans, therefore, they are not required to disclose YSP or rebates. This is TOTALLY misleading to the buying public. The builder offers the buyer a \$10,000.00 credit toward closing costs, then provides an interest rate that gives the builder over 3 points in rebate. Literally the buyer pays for the closing costs through the interest rate. But, they do not SEE that rebate on the Good Faith. This is totally deceptive and misleading. Yet no government agency cares, because the big, nationwide builders have the NAHB. NAHB is one of the largest lobbying organizations in Washington. I thought the Federal Reserve was above lobbyist money.

I am not asking for special compensation. I merely want all entities on the same page. Banks, mortgage bankers, and brokers should all be treated equally. All should disclose how much money they make and how they make it. Let the purchasing public decide where they want to spend their money.

Thank you

Karin Bawcom