

# SHB 2770 Rulemaking - "Disclosure Summary" Comments

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## **Comments:**

Multiple forms versus one form

I like the concept of this Disclosure Summary. However, I also like the idea of reducing rather than adding to the number of forms a borrower gets.

To accomplish the Disclosure Summary objectives, about seven years ago I designed my own Good Faith Estimate in Excel that contains almost all of the items on the proposed Summary in a clear and easy to read fashion. I've used this GFE instead of the Calyx Point GFE because I think it's better for my customer.

My Excel GFE can easily be revised to include the few Disclosure Summary items it doesn't currently contain.

Since borrowers tend to get overwhelmed by forms, I recommend DFI allow mortgage brokers to incorporate all of the Disclosure Summary items on a GFE with the following provisions:

1. The GFE contains all of the Disclosure Summary items in a clear and easy to read fashion.
2. The GFE be approved by DFI if it incorporates the Disclosure Summary items.

Yield Spread Premium

I firmly believe the Yield Spread Premium should be clearly disclosed to consumers and have always done so. However, I think the following changes should be made to the Disclosure Summary to reflect a more accurate description of the Yield Spread Premium. My proposed revision:

"Yield Spread Premium" or "YSP" means a payment to a mortgage broker by a lender for originating and processing a mortgage loan with a fractionally higher interest rate above the "par rate". A YSP is separate from a mortgage broker fee or loan origination fee.

All lenders, including banks and credit unions, also receive a YSP for fractionally higher interest rates, but unlike mortgage brokers, some of them are not required by law to disclose the YSP to you. Ask your lender or mortgage broker to show you the par rate, and to help you compare the pros of cons of a lower versus a higher rate.

The YSP can should be used to reduce the points and fees the lender would normally charge to the borrower for a market rate loan. Ask your lender or mortgage broker if they are using the YSP to reduce your fees. A YSP is separate from a mortgage broker fee. Ask your mortgage broker for a comparative loan without a YSP.

Respectfully submitted,

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