

# SHB 2770 Rulemaking - "Disclosure Summary" Comments

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**Comments:**

Good afternoon. I just wanted to know if anyone had reviewed the FTC's extensive report on "The Effect of Mortgage Broker Compensation Disclosures on Consumers and Competition: A Controlled Experiment" before moving forward with the now WA required forms.

I believe you will all find the results as eye opening as I did. Here is a quote from the Executive Summary section of the report: "...FTC staff raised concerns, however, that the compensation disclosure could confuse borrowers, draw attention toward broker compensation rather than the cost of the loan, and lead to worse rather than better mortgage choices. FTC staff also noted that the asymmetry of the disclosure policy—which would require the disclosure for brokers but not direct lenders—could put brokers at a disadvantage, harm competition, and result in higher mortgage costs for all borrowers."

The report is filled with information, graphics, and the methodology behind the report.

Here is the web address where the 164 page document is located:

<http://www.ftc.gov/os/2004/01/030123mortgagefullrpt.pdf>

I hope that serious consideration will be given to the projected impact on the mortgage industry and borrowers as outlined in the report.

Best regards,  
Jason