

# SHB 2770 Rulemaking - "Disclosure Summary" Comments

**Name:** Andrea McGhee

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**Comments:**

I would encourage you to review this rule once HUD has completed the revision of the Good Faith Estimate as it has covered all facets of the model disclosure form you have created. The perpetual obsession to create yet another disclosure form needs to cease. Everyone needs to get together, create uniform documents, uniform disclosure of yield spread premium (including compensation received by banks) and stop confusing the consumer. Brokers receive "wholesale" rate sheets and retail the rates to the public. This may or may not include compensation from the lender in addition to compensation from the borrower and despite the compensation to the broker, the borrower will more than likely be offered a less than market rate when compared to the bank they are shopping against. We are not going to rid the world of unscrupulous brokers bent on paying their monthly bills with one loan by adding additional disclosures to the pile. My compensation as a broker should not be the business of the client when they are shopping a loan against my bank competitor who is not required to disclose their compensation. Why not make it clear on the good faith estimate and require the YSP be credited to the borrower? The broker would still need to earn a living. They would end up charging higher up front fees in the form of origination or broker fees and then offsetting those fees with the credit from the YSP. This would be transparent to the client as they would see the charges, and the credit of YSP as related to their interest rate. Obviously charging 5 points up front would raise a red flag for anyone, even if they are getting a credit of YSP - even an unsuspecting, financially illiterate borrower which is who we are protecting here.