

# SHB 2770 Rulemaking - "Disclosure Summary" Comments

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**Comments:**

That rule making (draft model disclosure summary No. 6) could potentially take a large portion of profit out of every transaction thus increasing the need to close more transaction, just to keep pace with your average income. Two consequence if rule making passes; 1. Since Real Estate markets have been steadily declining and underwriting standards have tightened, these two factors alone are causing less people to qualify for home loans thus reducing the number of transactions banks let alone mortgage firms are able to close. So if profits are cut and the number of loan transactions are declining, that can be seen as a double hit to the industry, 2. If DFI requires mortgage companies to disclose there commission, banks should be held to the same standard too (what about real estate agents and car sales. Commissions are made in most industries where the company tries to tie the interest of the salesperson to the product). If profits are reduced in an industry based on commission, the loss in income may lead to more displaced workers in the mortgage field thus raising unemployment in the state of Washington. Over 279 mortgage companies have imploded since 2006 ([ml-implode.com](http://ml-implode.com))

The above statements are based on one of two assumptions. A, the consumer uses the YSP towards reduction in closing costs instead of compensating the mortgage broker/LO or B, the consumer demands to not pay YSP.