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**Considerations and comments to S2452  
“Home Owners Preservation and Protection Act 2007”**

The bill refers to “All Originators” at times and then further refers to Mortgage Brokers. Specifically, it states that Mortgage Brokers have a “Fiduciary” relationship with the borrower. This vacillation from “all originators” to mortgage brokers needs to be eliminated. The term “all originators” needs to be exclusively used and defined as including any person or representative of any institution that makes or has any part in the origination of a residential mortgage loan. That certainly would include all financial institutions.

On face value the DFWAMB association and the mortgage broker industry is opposed to any law stating our position is a fiduciary relationship with the borrower. It has always been stated our relationship is a facilitator in obtaining suitable financing for residential loans. To further spell out mortgage brokers at the exclusion of other originators is discriminatory depicting favoritism and special exclusions for certain segments of the financial industry.

The term “yield spread premium” should be defined as any premium received by any originator of a mortgage loan. The term YSP has become associated with mortgage brokers to the misunderstanding of the legislators and regulators that premiums on loans originated by financial institutions have NO premiums or YSP, this is simply fiction and not reality. A loan originated at 7% in a market where 6% is par and 5% requires additional contribution from the borrower has a premium and a higher value to the investment community. To penalize one segment of the “All Originators” community is discriminatory, capricious and arbitrary. It favors one segment and penalizes another. It would appear this is done out of a lack of knowledge of the workings of the origination procedure and the securitizing and trading of mortgages in the investment community. In summary: the bill should not be discriminatory and couch sections with favoritism to one group and penalties to another.

Many of the other sections are constructive and the concept is positive and with changes could possibly be advantageous to the lending community and residential borrowers.