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Comments:

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STEERING CONSUMERS TO MORE EXPENSIVE LOANS? Really? You mean like Bank of America and Wells Fargo do? The bigger the company the more expensive the loan since the bigger the overhead obviously, and the lower the compensation to the mortgage broker. Their pitch of more volume equals lower costs is just that, a pitch. As mortgage brokers we avoid the biggest investors to fund our loans unless they happen to be the only place an unusual type of loan such as a HUD HOME REO LOAN can be underwritten. In fact without the YSP the borrower will then have to incur the compensation for the mortgage broker from their immediate pocket at closing. The investor pays us that compensation because they cannot afford to have office hours 24/7 or to allow their employees to run personal risk in entering the home of a borrower at 10 pm to pick up an updated Good Faith Estimate or obtain an additional document they decided they needed at the last minute. We should be eligible for Hazardous Pay! Just check the mileage expenses we incur right on our tax returns. Why is it that I have never seen anyone proposing to eliminate compensation from airlines to Travel Agents? It is the same principal, consumers are not going to go to the airport and get in line at each of the airline's ticket counters to see which one has the best price with the least number of lay-overs. The airlines make this information available to the Travel Agents which are located near the client to facilitate the sale of the fare. The consumer doesn't pay the Travel Agent for their services, the airlines do. It doesn't matter that the best compensation is for a fare to Los Angeles, if the consumer needs to go to NY. YSP are based on the interest rate so if your buyer has very little cash saved yet still insists on buying a house (almost always better than renting), then the best "route" is the higher interest rate. Which by the way, unless that borrower keeps that loan for the full term (very unlikely), he would have still saved more at the present value of money, than what it would amount to 30 years from now. Eliminating the YSP will mean only buyers who can pay all of the costs including the compensation to the mortgage broker will be

able to buy a house. The upfront expense of an additional 1 or 2 percent of the loan amount will never outweigh the benefit of paying it at the rate of \$10 or \$12 more per month for the period of time they own the home, even if they end up owning it for the full 30 years. I certainly hope every person on the board knows how to use a financial calculator to determine the future value of money and how to determine leverage. If not, then at least ask yourself why don't any of the Rockefellers purchase homes in cash? They can certainly afford to.