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Subject: Reg Z - Truth in Lending

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Comments:

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To Whom it May Concern: Eliminating the rebate(YSP) portion of lending would make the industry less competitive and thus costing borrowers more money. The ability to cover borrower's loan expenses or the ability to offer a loan without reducing the homeowners equity can be a must at times in order to reduce the rate/payments for the homeowners. Direct lenders would greatly benefit from this as they are exempt from disclosing what they are making by selling the loan, hence the reduced competition. Borrowers can easily see how much a broker is making on a loan and they are protected by section 32 as to how much can be made on a loan. How many other companies have to divulge their profit margins or income from their services? If a broker company establishes a good working relationship with a bank and earns extra incentives in the form of a rebate that is their reward for doing a good job, volume incentives... that shouldn't mean that the rates for these clients should automatically be lower? The cost of the broker to stay in business has already shut the doors on many good business owners that can't afford to stay in business and this would be the straw that breaks the backs of tens of thousands independent brokers and their employees without providing a clear advantage to the consumers. Sincerely, Josh