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Subject: Reg Z - Truth in Lending

Comments:

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Comments:

I am commenting on the fed reserves plan to implement fee agreements and alter the current state of yield spread premiums. I have been in the industry for 10+ years, and I respectfully request you allow the new changes by HUD on Reg X to take place, and then evaluate the state of yield spread premiums. As an industry veteran, I understand the needs for change, and I have enthusiastically complied with these changes. From education, to national testing, to state testing, I have completed these opportunities to participate and transform my industry. All the while I have seen my competition leave the industry. Most of these former participants in the industry are those who quite frankly needed to leave. They couldn't exist in this new environment. As much as I agree with the need for change, I do not agree with the wholesale banning of ysp, only to be replaced by fee-agreements with lenders. My point of view is that fee-agreements will do the exact opposite of giving the consumer the best deal. Consumers will be "steered" into loans from the lender with the best fee agreement. Such staples of the industry like service, price, and quality will not be competed for, they will be determined by a fee agreement. To be honest, small business people like myself right now are succeeding by serving those who are not being served correctly by the big lender. If you are on day 120 of a refinance, with no end in sight, I am a sight for sore eyes. If you are with BofA for a refi, what do you think guides their loan originator? Their fee agreement! The loan originator works for that bank and is guided by the agreement. AND, that agreement varies from deal to deal apparently. In my office, I can do 10 deals for 10 different consumers who want me to compete with a retail large bank....the same bank. I have 10 good faith estimates, with 10 different rates from the same lender. YET....they all get the same rate from me. I don't call that steering. I call that good business, and control of my business model. In summation, I respectfully request the Federal Reserve Bank give HUD and opportunity to evaluate the implementation of their new GFE. This is revolutionary times. Those who were not in this industry to benefit the consumer are gone. Give those who are still in the industry the opportunity to measure the new GFE. Thanks for the opportunity to voice my opinion.

Emmett Harkins