From: Nicholas C Schiano

Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Name: Nicholas C Schiano
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

I am a loan officer at All Island Mortgage, a full service mortgage brokerage shop. My dad started this company in 1989. I feel we are one of the "good guys" always doing whats in our customers best interest. This new regulation would essentially put us out of business by making it harder to compete with direct lenders. A majority of my income is earned in YSP or combination of YSP and up front origination charges. Does that mean I'm earning the max on every deal? NO. In fact our average fee is about 1-1.5%. I typically offer my clients the lowest rate in the market with a .75-1% origination charge on the front. However, a lot of times that fee can be eliminated by increasing the rate .125 or .25. Sometimes they will choose to increase by .125 and lower the up front to .25. There is no direct formula for this, but this allows me to compete with credit unions and banks. Almost every client that I get has done their home work and is looking for the best deal. I know what the bank of americas, or credit unions are charging, and its my job to beat that. Using the YSP in conjunction with small up front fees is how I am able to constantly beat the competition. Sometimes I have to use the small YSP that I know I will get to pay for the appraisal up front to beat out my competitors. In fact right now I am doing a loan for good friends of mine, that still shopped me up against their credit union. I was able to beat the credit union by .125 in rate, and charge NO up front costs. I feel all the brokers that caused this mess are gone, now these rules that will essentially destroy the broker, are being placed on the brokers that did the right thing, and built a good honest clientel on the back of their reputation. I can't tell you how many reccomendations I get from my clients because they are so pleased with how I did my job, and how I saved them money. I ask you to look hard at all the comments you will be getting, and understand that this will destroy the broker business, and all the families behind them. I would open up every one of my closed deals to you and explain how and why they were structured either with

only ysp, no ysp or half and half. Each deal has its own fingerprint. None are exactly alike and we need ysp to stay the way it is, so that we can remain competitive, otherwise we will be eliminated, banks will take over, and then competition suffers, which only results in less and worse options for the consumer. Again, I can give you hundreds of examples where I had to compete for deals and ysp played a big part in me eventually closing that deal. Thank you and God Bless.