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Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Comments:

I have deep concerns about your proposal to disallow YSP. This flat rate proposal will not work as you are expecting. What is to stop a broker from just signing up with the lenders offering the highest flat rate. What is to stop one lender from offering several points more than anyone else and creating a monopoly. This can and probably will happen. You are taking away the freedom of choice of the broker and client. You will be removing all of the competition from the industry. The big lenders will for sure offer more and be able to squeeze out the small lenders. The same goes for the brokers. The large ones will be offering the same as the small ones and put us out of business because we have nothing different we can offer like a lower rate than they are offering as it is right now. I work for a smaller broker and in order to compete I have to offer a lower rate and lower closing cost to the consumer so I am actually giving them a better deal. Your way I could not do that. I can honestly say that 60% of the business my branch does comes from offering a better deal than lenders like Wells Fargo or Fifth Third. And how are you going to regulate them? They don't get YSP so this would not even apply to them. Now you want to take that away from me? You will put many more people out of business and just add to the problems not solve them. This system of YSP has worked fine more many years and there is nothing wrong with it. I am really tired of all these new things that are being passed against us brokers because we are getting the blame for this entire mess we are in but lets look at the actual truth about this mess. The broker did not cause this problem. The rich investors and the lenders caused this problem with greed and disregard for what was going to happen. They made a bunch of money and then when it went bad they got even more money for what they did in the first place and then turned around and blamed the mortgage broker for all of this. That sounds fair doesn't it? They gave us these programs which basically made almost everyone qualify. Now everything is falling on us and it seems as though you guys are trying to put us out of business and that way there can be justification I

guess. You need to look at where the problem actually occurred and is still occurring and YSP has nothing to do with it. It actually gets the consumer a better deal. Every thing has gone from one extreme to the another and you need to find a happy middle. The members of congress are not in touch with the average person at all. They keep changing things and making everything harder and harder and they are just making things worse. Do they think there have never been foreclosures in the past and that there won't be in the future? Do they think that a new very complicated GFE is the answer? It discloses the same stuff that is on the old one. People are all the same, when something goes wrong like a foreclosure they blame someone else instead of taking the responsibility for what they have done. The lenders won't loan money and that is just getting worse. The guidelines to get a mortgage are now ridiculous and getting worse and they were given a ton of money by the government in order to be able to lend and instead they hoard the money and give out huge bonuses to those who caused the problems in the first place. You guys need to get that stuff under control and stop trying to change the things that did not cause any of this mess and are currently not broken. Why is it all I hear is how the mortgage brokers cause the problems and we are to blame and we need to have more regulation and more laws and more penalties etc. Yet I hear nothing about what is being done about those big lenders that made all the money in the first place and what they are doing about it which is basically nothing but asking for more hand outs at my expense. It is really time for congress to wake up and fix the real problem and YSP is not the problem. Mortgage brokers are not the problem either. As our president said "it is time for change" so change the real problems! Leave us brokers alone to do our jobs. Why don't you take all that money that has been given to the lenders who caused all this and give it to the American people. That would fix the economy and the money would go to the people who deserve it. I urge you to reconsider what you are doing as it will make things much worse. I guarantee it!