

From: Lisa Paulus
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: Lisa Paulus
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

I find this proposal so disturbing. The mortgage brokers are getting blamed for selling products given to us by Fannie, Freddie, HUD and the sub-prime lenders. Now you are asking us to eliminate our compensation or at least reduce substantially. Mortgage loan transactions are not so simple. Every transaction is unique to the individuals purchasing or refinancing. I quote my rates based on the time I will be putting into the transaction. Just as any other business that quotes based on time to do the job. A mechanic charges for labor, an attorney, a contractor, etc. In no other industry do we disclose our income. When you go buy a car, do you ask the salesman how much money he is going to make from you? When you purchase insurance, do you ask your agent how much they are going to make this year? When you do business with someone, do you ask how much money they make? No, this is just rude! The lenders have tightened up the underwriting guidelines which are understandable but it takes more time and effort to get transaction completed and closed. I personally am working 100 times harder then I ever have. I am a broker who doesn't take advantage of my clients because I want referrals and build a continued relationship with them. I have never made over 2 points on a transaction. My average compensation is 1.5 points; 1 origination and .50 YSP. I am struggling these days just to make ends meet due to all of the changes in our industry. I understand the stricter guidelines for new purchases and cash our refinances, but why in the world are you putting the consumers through these stricter guidelines for rate and term refinances. The guidelines should allow for us to provide documentation of income and assets to prove they are still working and have reserves and provide documentation of a Net Tangible Benefit to the borrower to reduce their monthly debt. But, they have to adhere to the same strenuous piles of paperwork that make absolutely no sense at all. The consumers become so frustrated of having to write letters of explanation regarding everything in the file. We might as well write novels to

include with each file. Unemployment is at historical highs and now you want to increase this even more. All of these new regulations have honestly made this more frustrating and confusing to the consumers. Mortgage Brokers are required to have a Real Estate license but this license has no bearing on what we do. If you really want to help and protect the consumer, you should have the Mortgage Broker have their own license and require continued education on product, guidelines and ethics and hold the brokers who do rip off the consumer accountable. Don't penalize the rest of us who are loyal, ethical and do the right thing. The elimination or flat rate YSP is not the answer.