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Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages  
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The end of YSP as a market driven pricing of compensation to lenders and brokers is no the answer. A flat fee system may work if it is truly across the board. One mortgage price for all lender, banks, brokers and mortgage backed security companies. We all have just one rate and are paid a flat fee for that loan. That would socialize the entire system and probably kill a industry that drove the markets in America for the last 17 years. What we have works Brokers banks lender and security companies all get YSP yield Spread Premium bank do it when they sell off there lines to servicers. Mortgage bank security companies do it when they sell their security and make a spread. Way are you focusing on brokers every aspect of the industry get paid the same thing no matter what you call it. You can't legislate a way to protect consumers that are not going to protect them selves by shopping a rate! If you want to change something make the Good Faith a binding document with an acceptance signature good for x hours as a locking instrument. Based on a minimum credit score of x or meeting program guidelines. Buyers don't like 10 companies run their credit scores so you say based on x credit and x income we guarantee a lock rate of x for 2 hours. The problem with compensation is not the problem it the lack of a honest comparison between lenders and a ease of shopping a loan. Make the credit companies give you a mortgage report for \$20 that all mortgage companies must use so consumers can shop and give a secure password t the lender to import the report and do a loan auto approval. So they can produce a contractual good faith based on a locked in rate so you can shop as a consumer. I make \$500 on a loan most lenders make \$2,000. I have a advantage over the other lenders flat feeing will hurt me. Fare disclosure and streamlining the process will help me. Don't layer the problem with more layer of problems leave it open and fair and make lender preform to their good faith estimates actually take good faith out and make it a offer based on x. Give lenders a credit report to base approval on and based on an income of x.

Taking away yield spread will just morph the industry and not solve the problem you really want to solve. Please STOP trying to band aid the real problems with rules that attack only one group in the mortgage world, mortgage brokers, when all lenders get the same thing a YSP. Make it open, binding and able for the public to make a real decision on 2 loans with a lock rate and fees set. If a mortgage broker can do a 30 year fixed FHA at 4.75% and makes 1.25% YSP and the borrowers cost are \$6,000. A bank has the same loan at 5% with closing cost at \$6,000. 30 day lock. The public will pick the lower and won't care what the YSP is. Stop confusing the public start making it easy to shop a binding locked rate. Let the company say what rate and fees.