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Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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I wish to comment on the proposal to restrict YSP or SRP. First, there must be fairness between the bankers and the mortgage brokers. You cannot install a rule for the brokers that the bankers do not have to follow also. This creates unfair business practices. In regards to the "flat fee" proposal. This shows ignorance of the work involved in putting a loan together and packaging it for the wholesale lender. There are many hours spent advising a client on how to correct their credit report for example. Should not the broker be compensated for his time and follow up? Two borrowers may come in for the same loan amount, yet have dramatically different scenarios. I work in the foothills... so I have septic and well/water issues that someone in the city doesn't have. Should I not be able to be compensated for the extra time and attention I spend with my client and putting his loan together? Removal of YSP or SRP. This is going to greatly hurt the flexibility for the borrower.

Some borrowers do not have the cash on hand to pay the broker/title/escrow/appraiser fees. Having the YSP available helps them to manage the fees and purchase that property. Depending on the buyers' situation, not paying origination, and paying the broker through YSP is a better deal for the buyer. For example, perhaps the buyer wants a loan for a short time... having YSP pay the fees is more advantageous to the consumer than having to charge the consumer points. Depending on what the interest rate pricing is on a given day, splitting the fees between origination and YSP may be the better option for the consumer. There will be less-than-ethical people out there trying to take advantage of the buyer. Enforcing (and I mean enforcing hard!) the rules and regulations already on the books would send a better message, than to restrict the consumers choices; and/or to stifle fair busienss by limiting consumer choices or to have an uneven playing field where the banks have a greater advantage over the broker. Wells Fargo tried to receuit me - with the lure of not having to disclose SRP whereas I do as a broker. Brokers are currently

disclosing every little penny... and the banks do not have to. Is this providing a fair playing field for the consumer?? I think not! By creating additional regulations that limit the broker, the consumer is the ultimate loser. The broker goes out of business (so much for free enterprise and capitalism) and the banks continue to steal from the consumer. Two losers- the consumer and the independent broker. By being in operation, brokers are forcing the bankers to not jack up the rates. And tell me, when the brokers are out of business, and the banks are the only ones left standing - will they again be too big to fail and get a bailout? Please, enforce the laws and rules in place already to get rid of the deceitful brokers and bankers. Think of the consumer and what they will be left with for choices. Allow a broker to be compensated for the time and energy and care they provide to their clients. Allow the consumer various options to pay for the brokers' service. Thank you for your time and attention.