From: Ted L. Ferrier III

Subject: Reg Z - Truth in Lending

Comments:

Date: Dec 04, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
Document ID: R-1366
Document Version: 1
Release Date: 07/23/2009
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Comments:
By elimating the yield spread premium you will ultimately drive up fees that will be charged to consumers. I specialize in tough to close loans that others are not experinced enough to handle. In some instances i will work up to 3 months on one file and instead of having the client denied a loan will work to get that client's loan eligable for approval. For this extra effort i am compensated with yield spread as the cleint is unable to go elsewhere (usually they have been elsewhere and denied several times). Is this not fair compensation for the extra effort put forth? This is an extremely competitive industry and we cannot charge higher rates as those creditworthy will go to another source to close their loan. If I am not compensated extra for this effort I will simply stop doing the extra work. Before eliminating the extra compensation you should consider this as this will ultimately hurt the consumer. I could end up charging the client the extra point which is only costing them
more money in the long run. Rates move daily, the YSP is a function of the market. If you eliminate the YSP you should then eliminate any extra fees stock brokers, investment bankers, bond brokers, etc make as you are eliminating the marketplace. On any day Suntrust will be priced @ par on 5.0% and wells fargo will be paying 101.00 for the same rate, what if the underwriter @ suntrust denied the loan and WF approved it?