

From: Craig J Showalter
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: Craig J Showalter
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

To Federal Reserve Board RE: R-1366, I am a father, and a husband, making a living as a branch manager of a mortgage brokerage firm. If you were to pass this bill into law it will have a major impact on the overall economy in a negative way. The loss of YSP prems. would so negatively effect the consumer the broker and their choices . We need YSP to offset the credit scores guidleines from Fannie Mae, offset if a borrower needs to have closing costs paid for but doesnt have the money. We use YSP for so many other things then just part of our income. It is true we also need it for our income. I understand how it looks with some bad brokers and loan officers in the past charging high rates to make 5% on the back end. But their are honest hard working brokers and loan officers with families that have never ever had issues with borrowers lenders and our operating the right way. The way that gives consumers a choice of who to go with, the best rate, lowest monthly payment and savings.

Please please do not take this away from us. If it goes away many many more people my lose their jobs, and the interest rates will go up for the consumer and their choices will go down. I understand this is all to help the consumer, but in the end it will not. It will hurt the economy, raise rates on consumers, eliminate many borrowers from purchasing or refi their homes. Do we really want to hurt the consumers, create more paperwork, and destroy jobs of hardworking people all at the same time. I you completely eliminate YSP that is what will happen. Please a better option is just to lower the MAX YSP a loan officer or Broker can get that will eliminate the higher rates, but allow for us to have some income on the loan, and help offset borrowers rates and closing costs which is what we actually use it for. Realtors and investment bankers make 6%-10% on deals. Are we really talking about taking 1-2% away, that is our income if we charge nothing upfront to save the borrower costs to get into their home. Is that really a plan. It just doesnt seem right. Does not and will not help the borrowers at all get a low rate and fees. It will just

flat out cause higher rates fees, and costs jobs, and the consumer losing their chance to buy homes at a great rate and program. Please just let us operate. The guidelines have tightened, the programs have been eliminated, all that is left is solid borrowers, good credit and good loans. Thats what we do. We do great loans that HELP people, that is our job, pure and simple. We use YSP as a tool to HELP our borrowers. I have never once made 4 or 5 points by charging a higher rate. Please do not punish us for the acts of few. I need my job, my new daughter needs me working too. Please dont eliminate this and try to hurt all the hardworking brokers and loan officers that just make a good living doing what is right. Please understand what happens if this goes into place. We are counting on you. The bad loans and people have been weeded out. Let the industry recover now on it own. The ONLY loans out there are for good solid borrowers. Please read this and understand. My family needs this and my employees need this. Sincerely, Craig Showalter