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Comments:

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The new system proposed wouldnt work. To many situations where a flat fee from a lender wouldnt work, because the YSP is dependant on loan amount, rate, volume with current lender, fall out ratio ect. The current system is fine and pricing has always been based on supply and demand. Doing a loan is a lot more then just pricing and rate. There is service, and relationship status along with sturcture and communication with the borrower. Some borrowers dont care their rate is .125-.25 higher because the loan officer has provided top notch service. Some borrowers want that dirt cheap rate and borkers can accomdate them as well. I cant tell you how many times a borrower loves working with me even with a higher rate because my service was perfect. And i cant tell you how many times another borrower loved me becuase i beat the entire competition and waived my processing fee. Brokers can do it all and your new system will give the Banks an unfair advantage. We have a word called for unfair people, FRAUD. there are revenue limitations, there are many checks and balances to make sure someone doesnt cheat or hurt a consumer but to get rid of YSP, has nothing to do with Bad or Good loans. YSP is not what caused the mortgage meltdown. YSP is a part of supply and demand, so all your doing is taking away a system for brokers to get paid which in turn will cause less brokers which in turn will decrease the supply of loan originators which at the end will cause pricing to go up. So at the end of the day your hurting the consumer not helping.