

From: Paramount Residential Mortgage Group Inc., Joe Spangenberg
Subject: Reg Z - Truth in Lending

Comments:

To whom it may concern,

I'm employed in the mortgage industry and have been now for over 9 years. I believe that the fundamentals of the current system are very strong and do offer a very healthy & competitive outlet for the general public seeking a mortgage in the mortgage industry. I believe that the real problem came from all the creative products which were offered to the general public that provided everyone (basically) the ability to purchase a home, and was not regulated or watched at all which caused home ownership to escalate to the highest levels. This was the primary reason for the biggest problem which we all face today with the inflated home values and now many areas in the country have declining values causing thus causing a high percentage of mortgage foreclosures pushing them to their highest levels. This push inherently created with an over supply of mortgage products for all type of borrowers.

Referring to the specific issue with compensation on YSP or (yield spread premium) for Loan originators on mortgage loans for borrowers or homeowners I think provides more benefits to the public than disadvantages. It allows for the majority of small businesses in the Mortgage industry to remain competitive with the super large Banks. This is very important to the health of the industry and thousands of small business and their employees. These small businesses have the opportunity to provide a better service for the general public and this enhances health competition thus providing the public options for the mortgage source they prefer to work with. There are many factors that go into doing a mortgage loan and they are not as simple as black and white transactions. The total elimination of YSP will affect many small businesses and shift the leverage/power of the small business that compete with the super large institutions and market share will shift that will lessen the competitiveness of the mortgage loan process. I think if one were to look at the successful short history of the ability of small business in the mortgage industry the number would support that the overall loan costs has been lower to the borrowers and customer satisfaction has been higher working with the small businesses.

Thank you,

Joe Spangenberg
Paramount Residential Mortgage Group Inc.