

From: NewDay Mortgage, LLC, Thomas Farnesi  
Subject: Reg Z - Truth in Lending

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Comments:

RE: Elimination of YSP

Federal Reserve Board:

My name is Tom Farnesi & I have been in the mortgage industry for 7 years. In regards to your proposal to eliminate or change mortgage broker compensation, I feel the need to bring up the following arguments.

1.2.3.4.a.b. IF A BORROWER WENT RETAIL THEY WOULD PAY 1.5% HIGHER IN FEES THAN A BROKERS RATE STILL MAKING .5% IS YIELD

Ultimately, I completely understand the aim of this proposal. And I absolutely would like to eliminate the brokers who mislead, misrepresent, & violate YSP. However, most of these originators have already left the industry due to their bad practices. The honest, ethical originators left are dealing with their mess.

Please take our comments into consideration. Consumer, the housing market, & good working mortgage brokers will be affected by this legislature.

My suggestion is to create lower caps on YSP. My company never makes more than 2% on YSP, never. Make this the cap. not 3 or 4% - that is way too high.

Thank you for your consideration,

Tom Farnesi

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TOM FARNESI, CMPS  
NewDay Mortgage, LLC