

From: Northpoint Mortgage, Paul Towle
Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Comments:

I have read through this pending proposal very thoroughly and find that, among other things, it does not level the playing field with retail loan officers and mortgage brokers. The new GFE reveals ALL charges and forms of compensation associated with the loan and allows the consumer to make a very educated decision. A decision we should always be able to make ourselves and one based on all factors, not just broker compensation. Factors like SERVICE, performance and genuinely caring about borrower's contract closing dates are the reasons people choose to do business with me. They compare GFE's and APR's with other lenders, both wholesale and retail, and do business with me if I offer the best overall solution and not just compensation or interest rate. I do business in rural Northern Maine and I am the only broker that lives and works in this area. The average loan size is under \$100K and the rates I offer (including YSP) are almost always lower than the banks and CU's in this area. Why are they less regulated than mortgage brokers yet they consistently offer higher interest rates than I do? It appears that YSP is the best way to offer consumers better loan programs. My fees are often higher than local banks and I sometimes lose business because of it. I understand and respect the consumer's decision to opt for a higher interest rate but lower closing cost loan program, especially on lower loan amount mortgages. To impose a flat compensation rate for brokers on all mortgages would be a disaster to monitor and enforce. It would be like the government imposing a mandatory flat rate cap above dealer cost for the purchase of all GM and Ford automobiles in the US. Forget about working with a dealership that the consumer willingly picks that happens to charge a premium for their higher level of service after the sale. Our country needs less regulation and more freedom for consumers to choose who they want to do business with based on what is important to them. Sincerely, Paul Towle