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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 do not agree with this proposal. I believe that it will cause higher rates for borrowers than they are getting from the wholesale division of mortgages. I am not one of the brokers who "gouges" the clients pocket by jacking the rate up to a extreme so i can collect large YSPs. I do believe that there should be some type of regulation, but this is not it. Maybe a dollar amount cap?? Having a "points" cap is helpful, but let's be realistic here... 5 points on a 500k loan is significantly different than 5 points on an 80k loan. You would need to make around 5 points on 80k to be compensated for the efforts put into the file as well as the "hits" that you would incur for the low loan amount but making 5 points on 500k is ridiculous. There are many brokers out there whom do this, I am not one of them and despise these brokers for being greedy as they are making my job very difficult and quite possibly obsolete if they continue. I am in favor to get a handle on the gouging situation by all means but not at all in favor for this "flat fee" concept. I believe that mortgage brokers are very beneficial to borrowers as many people live pay check to pay check and work very hard to purchase a house. I also believe that a lot of them are taken advantage of by greedy brokers. I believe that if we convert to this "flat fee" regulation that it will not leave enough opportunities for the broker to be beneficial to the borrowers and we will be cut out of the loop. As I also am aware that mortgage brokers whom do not gouge the borrower's pocket by jacking up the rate are very capable of beating the retail bank rates. Unlike myself, some brokers just barely beat the rate to win the business, where for the most part I can come in substantially lower than most banks. All in all I am against this particular regulation but do feel that there should be some kind of cut off point. I really think that someone needs to sit down and take the time to figure out what the maximum dollar amount compensation should be for writing a loan and that should be the "cap" as this could actually help clients be protected from the greedy brokers out

there being that "point caps" do not as I explained earlier.