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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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The proposed ruling seems contradictory to all logic and U.S. principles. The Yield Spread Premium in raw form is a fantastic tool to help borrowers, mortgage lenders, sellers, etc. The fact that it is potentially being eliminated highlights the dangers of political pressures. The mortgage industry and housing industry were not hurt by YSP's but by falsehoods, big lenders, and Bond ratings that were not part of the mortgage broker's doing. This proposal does NOT protect the customer. In a multitude of ways it actually hurts the customer. Realistically a customer will be left with less options, higher rates, and still be stuck in the same position they were prior to the proposed ruling or likely a worse position. Less options and less companies in business will almost always cause a glut and laziness in the industry (see federal government). The YSP is effective because a customer shops for a combination of a competitive interest rates and costs. A mortgage professional is rewarded for giving the consumer what they want. If I have developed low rates and low costs to the consumer then my company and the consumers win. You are threatening that win-win situation because you believe restriction and false protections will be more helpful. This belief you maintain is filled with short sightedness and will hobble the housing market indefinitely. I understand why you want to protect the customer (maybe YSP caps or fee maximums) but this is a weak solution to a complicated issue. Please do not ruin the housing market and cause higher rates for borrower's. You will ultimately be doing MUCH more harm than good.