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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:

Dear Sirs; I am a real estate broker and have been in the business for 20 years. Mortgage brokers are being singled out with the advent of the change in regulations to eliminate the YSP or Yield Spread Premium. The ironic thing is that this proposal affects ONLY mortgage brokers, big banks, licensed under the department of corporations will be immune to it, as with the majority of regulatory changes being imposed. All lenders, including the big banks, receive an YSP on EVERY loan that is done. Even Bank of America, for example, when a client arranges a loan through them on their retail side, receives an YSP but if this new regulation goes through only mortgage brokers will be required to comply. The banks will still be able to collect a YSP and the clients will have less competition for their business, and will be compelled to deal with unlicensed, and uneducated originators in this field who don't try to get the best deal for the client. Isn't it interesting to you that the big banks are not fighting this? By supporting this ruling they will be better off as the outcome will be loss of competition to the mortgage brokers, which will allow them to capture the market share the mortgage brokers have. This would not be because they are going to give the consumer a better rate or lower fees, it will be because the consumer will have less options available to them. Mortgage brokers did not create this problem, liberal underwriting guidelines and the pressure to make home loans available to all Americans, weather qualified or not, created this mess. We did not initiate the problem loans such as the Pay Option Arms, 100% + financing with no income and no debt documentation, clients with low credit scores, Fannie and Freddie under pressure from governmental agencies pushed the institutional lenders to create these loans and were penalized monetarily if they did not have a minimum percentage of the loans in their portfolios such as these. We don't need new regulations, new good faith estimates, new appraisal guidelines, there are plenty of regulations already in existence, all that needs to be done is to ENFORCE the already existing

regulations. Don't add more, don't eliminate the Mortgage Brokers from doing their jobs UNLESS you make the law mandatory to ALL LENDERS, banks, savings & loans, wholesale lenders and mortgage brokers alike. Thank you, Lauralee Green
REMAX Gold