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Comments:

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Dear Sirs; I am a mortgage loan officer and have been in the business for several years. I'm employed by a small brokridge compared to large corporations, but as you know small business is what drives our economy and our country. Now, in an attempt to right the wrongs in the mortgage industry, the 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, and caviler employees who don't try to get the best deal for the client. First I don't think that this regulation is necessary, in all the years I have been in business; I have consistently been able to provide my clients a better rate and lower fees than any bank or savings and loan. My clients are typically very sophisticated and savvy consumers and have shopped me against these large institutional lenders and they come back to me to arrange their loans. So this ruling will not help the consumer, they will only be hurt, as it will eliminate competition in obtaining loans. It will also put a lot, if not most of, the mortgage brokers in the United States, out of business! Isn't it interesting to you that the big banks are not fighting this? This should be a clear warning sign to you right off the bat. This is exactly what the big banks want because they have been progressively loosing the market share to mortgage brokers because we can shop all the lenders instead of only dealing with the one lender, and one rate option. 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. If the large institutional lenders like banks and institutions licensed under the Department Of Corporations were going to have to adhere to this you would hear an incredible opposition from them opposing this change. If you are going to impose regulations then make ALL the lenders, banks, savings and loans, no matter whom they are licensed through comply with any changes in rules and regulations. Keep the playing field level for everyone and don't allow one to have an advantage over the other. YSP does not hurt the consumer, only unscrupulous lenders, big banks included, hurt the consumer. The advent of HVCC (Home Value Code Of Conduct) was a direct result of improprieties done by Washington Mutual Bank, forcing their in house appraisers to push values. The big banks are not immune to their involvement in bad loans. 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 had representatives from numerous large banks, such as Bank of America, Wells Fargo, and others come into our office weekly asking for these types of loans to fill their requirements so they would not be penalized millions of dollars! 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. If this is allowed to go through as indicated it will put thousands of people like myself out of business if we can't compete with the same rules. Thank you for listening to me on this issue and hopefully you will discuss this with people like myself, who have been in the trenches for years before you make decisions that you are not fully informed about.