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Subject: Reg Z - Truth in Lending

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Comments:

Date: Dec 10, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages  
Document ID: R-1366  
Document Version: 1  
Release Date: 07/23/2009  
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Curtailment or elimination of YSP's is a bad idea, that will decimate Mortgage Brokers (cost tens of thousands of jobs) and hurt consumers. Easiest illustration is this: Mortgage Brokers get money at wholesale prices and retail money to consumers. The "profit" can come from the supplier as a rebate -As done in retail businesses, (or YSP) or it can come from the Consumer. Flexibility is the key -for the consumer- they may not want to pay anything extra, or may want a lower rate and be willing to pay for it, or something in between. But bottom line it is supply and demand and it is capitalism and free markets in action. Most of the economy is structured where wholesalers sell to retailers, consumers buy from retailers. Should we have all retailers then subject to disclosure? Where they list their wholesale price on the item they are selling as well as their mark up? Mortgage Brokers are like the local convenience store buying wholesale and then competing with Costco or Sam's. You are requiring (convenience store / mortgage Broker) list their markup next to the price of every item while Costco and Sam's (Banks and Direct Lenders) do not have to list any of their profit or mark up. Of course the convenience store in this case (Mortgage Broker) can't charge much more than Costco or Sam's as people will just shop there instead. Market forces dictate the prices. Yet we don't go after convenience stores, or retail in general for charging MUCH more than mortgage brokers could dream of, relative to wholesale! Let's look at the business model for high end clothing stores. Can you imagine Nieman Marcus or Macy's being subjected to detailing the mark up (on the price tag) relative to the cost of the Chinese imports they buy from? Clearly the Finance industry is being singled out, where as a business model there are MANY more extreme examples that are "not in the consumers best interest." Paying department store prices, are not in the best interest of consumers so we should regulate them? -Except consumers still shop there for

some reason... I maintain that mortgage brokers do a service as well, that consumers choose. And in MOST if not ALL cases MARKET forces dictate the upper limit we can charge because there is (relatively level playing field) competition. This legislation would hurt consumers choice, and is an unfair regulation on one segment of the marketplace. While other "retailers" (banks and direct lenders) do not have the burden under this proposed legislation.