

From: Legacy Home Loans, Brett Fowler  
Subject: Reg Z - Truth in Lending

---

Comments:

To whom it may concern,  
The proposal of Docket No. R-1366 is ridiculous. This proposal will only hurt this economy and our industry but more than likely put a number of mortgage originators if not all of them out of business. Most of us that are in the business of helping people finance their homes are good, honest, hard working individuals who genuinely want to help the consumer make the right financing decision. I personally do a lot of no point no fee refinances for my clients and they love them. I am very clear as to how this works and not only are we doing the loan at no costs, but we are lowering the interest rate and payment. Without these kinds of options a lot of consumers will be hurt. Below is a list of reasons why YSP must remain.

YSP is not simply a means of compensating mortgage originators; YSP also serves consumer interests by affording greater flexibility in structuring loans, and enhancing consumer choice.

YSP allows consumers to compensate originators for origination services when they pay none, or only some of the origination fees or closing costs up front. This is a legitimate and legal way for borrowers to finance those up front costs through the interest rate.

Choosing to finance closing and origination costs through the rate allows borrowers to purchase and start building wealth through their home without requiring significant outlays of cash in addition to the down payment at the outset of the loan.

Eliminating YSP will remove no-cost and no-fee loan options for borrowers. YSP is beneficial for many consumers who are ready to own a home but have to overcome the hurdle of significant closing costs, or for customers that choose to realize the savings of keeping their cash and financing their costs through their loan rate.

Mortgage originators often use YSP to pay for part or all of their title fees, which, in a given transaction, may not be borne by either the borrower or lender. In such instances, the originator's net compensation is reduced accordingly.

I hope that you will please look at this closely and make the right decision. Please leave the YSP alone.

Thank You,

Brett Fowler  
Legacy Home Loans