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Subject: Reg Z - Truth in Lending

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Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages  
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I have not yet understood how removing Yield Spread Premium would be a benefit to the consumer. Especially with a VA loan, the loan originator (if a refinance) pays all of the fees that the VA will not let the Borrower pay. So, my question is who will do VA loans if all the profit is paid in fees as you can only charge a 1% origination fee. Also there could be some small (loan amount) VA loans where the 1% origination fee wouldn't even be enough to pay the non-allowable fees - thereby cutting the consumers ability to refinance! Many times with conventional and FHA refinances, some of the yield spread is used to pay the borrower fees so that the loan can be accomplished. If the yield is removed, the consumer is once again hurt by regulations. In Colorado, our entire revenue from a loan is disclosed to the borrower whether its yield spread or service release premium. Without yield, the competition will be reduced and the consumer is hurt by lack of competition as well. The new regulations, while they may be made with good intent, are costing the consumer more. Appraisals have increased in price and so have the costs to run compliance for each loan. I'm happy to see some of our regulations being enforced. Unfortunately, we've had many unenforced regulations for many years. I'm all for good, honest, clean loans and removing the fraud element from our business. I'm not for costing the consumer more in an already expensive transaction and virtually eliminating competition. I'm proud of my career and ability to "help people" with significant and fair financial transactions as are many of my peers. We may be regulated out of business as we won't work for free.