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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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Comments:

I am very concerned with the elimination of yield spread premiums to brokers and lenders because if you eliminate the yield spread premiums, you eliminate the lender or brokers ability to do a no or even a low cost loan. Most first time home buyers are struggling to come up with the minimum down payment let alone an additional fee to the lender to do the loan for them. What this proposal will do is raise cost by at least 2% for all home buyers. This will effectively eliminate the majority of the first home buyers and many of the borrowers that are buying their second and subsequent homes as well. Think about it. Let's say you tell Walmart that they can no longer sell their goods for a price that's higher than what they actually paid for them. How would they stay in business? How would they make a profit? How many employees do you think would be let go? However, this is exactly what this bill will force the mortgage industry to do. I have been doing mortgages for 13 years and this proposal will force me and many of my colleagues out of the industry because it will destroy what's left of the real estate and mortgage markets. Before you implement this rule, think, really think about what it will do.  
Truly, T. Chris Hadley