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Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Limiting YSP or eliminating YSP will not be good for the consumer. It will eliminate competition and the big banks will control the rates along with fees charged to the consumer. The current housing crisis was not caused by mortgage brokers. It was caused by Fannie/Freddie and other lenders offering bad products. No doc, low doc, option arms and sub prime loans were all bad products. Qualifying requirements were lessened so that just about anyone could get a loan. I experienced consumers coming into my office asking for a no doc loan. I do believe that YSP and total compensation earned on a loan by the broker s/b limited. Up to 2% of the loan amount would be a fair number. My experience has been earning YSP in the 0.75% - 1.25% range on most transactions which is fair. With the advent of more costs for brokers associated with training and compliance the 2% limit amount w/b reasonable and fair. Do not add additional paperwork to the process as that just confuses the borrower. A standard summary GFE form showing loan amt, total closing cost fees, escrows, title insurance and pre-paid interest is what is needed. This would give the average consumer a concise easy to understand comparison doc when they are shopping for a mortgage. I have 25 yrs experience in corporate finance positions prior to becoming a mortgage broker in 2003. I welcome the licensing, compliance monitoring and continuing ed requirements. That more than anything will improve the process as long as we do not over regulate.