

From: McHenry County Mortgage, Don McCowan
Subject: Reg Z - Truth in Lending

Comments:

Date: Sep 23, 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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Comments:

I believe that proper disclosure of lending terms are critical and ensure good choices being made by the consumer. I have been in the mortgage business since 1982 and currently make my living as a mortgage broker. Yield Spread Premium (YSP paid to broker by wholesaler) allows more choices for the consumer. A slightly (.125 - .25%) higher interest can be the best (and only option sometimes when there is limited equity or \$ in the bank) option for refinancing or purchasing their home. This YSP can be used to cover closing costs that otherwise need to be paid for by the client through either cash to close or a higher loan amount. YSP when used for lower closing costs actually lowers the APR. I price loans both ways for the consumer and decisions are made based on each client's specific situation and needs. The point is that we provide a valued service to our clients. Allowing us to be paid by the lenders and not our clients provides choices for the consumer. Current disclosure laws already make it obvious to our clients what and how we are paid.
Sincerely, Don McCowan