

From: Eric Wexelman  
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  
Name: Eric Wexelman  
Affiliation:  
Category of Affiliation:  
Address:

City:  
State:  
Country:  
Zip:  
PostalCode:

Comments:

This is a continued short sighted approach to address industry challenges. Brokers are the back bone of the industry and typically work on the most challenging loans FHA, VA, USDA etc. To eliminate YSP is price fixing at its highest and best example. Why will any loan officer take on a challenging loan if they get the same pay for doing a loan that has no challenges. The only example in the working world I can compare this to is communism. Regardless of how hard you work or what your job is you get the same pay. This will result in Banks still receiving the premiums but brokers will be eliminated which will then take competition out of the industry which will then result in higher rates and fees to the consumer based on fewer options to shop with. In addition many brokers utilize Yield Spread premiums to pay costs for a borrower. In a recent transaction I credited a buyer for closing costs they simply didnt have the money for. I could not have doen that without Yield spread premium. We have moved back to the dark ages in the lending industry, first the government has allowed banks to benefit from insurance provided by VA, FHA and USDA. These programs were established to create necessary loans when banks wouldnt make loans initially to minorities, women, alternative lifestyles, low down payments etc. The Government has allowed the banks to create "overlays" that make the programs half as effective as they should be and now they institute their own rules at will making it impossible for a huge segment of the buying pool to get financing. The banks have made getting a loan as close to going through a hazing as you could imagine. Now the banks will be further rewarded. They got the tax payer money for bail out, they got to institute their own overlays and now "The Banks" will continue to make yield spread premium that is on the back end of the mortgage and they can charge anything they want because there will be virtually no competition in the market place as a result. The consumer will come out short. Buyers are free to apply where they

want. The MDIA rules have made it impossible for a broker to "cheat a client". For heavens sake. Let HVCC do its damage and let MDIA do its job and quit throwing more obstacles in the path of economic recovery. Do your homework on every instance in this country when capitalism and free trade are restricted. Monopolies, price fixing, loss of a middle class. We are one century away from the time that there was no middle class. With policies and changes like this we will be back there in no time.