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Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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It never ceases to amaze me how, in challenging times, people who know little to nothing about an industry, and more specifically the area of that industry they want to address/attack, all the sudden want to jump on a band wagon and beat their chest as if they are doing something important and for the benefit to the end consumer, when it is exactly the OPPOSITE that happens! To ban the ability to give a consumer OPTIONS when choosing a mortgage loan, is simply ridiculous, as the reduction in options is somehow construed as a benefit simply astounds me. By removing an option, and a much needed one at that, for a borrower to choose a loan that contains YSP as a method to reduce their overall closing costs will do nothing short of, once again, harm the very consumer we are trying to protect! It will raise the amount of money that is required for a person to close their loan. It will reduce the amount of loans actually closed and funded and impair the, currently and, severely impaired housing market further. If there is a concerted "push" to make things better we should follow suit with the new HUD guidelines that OPEN up the once restricted and regulated FHA and VA loan origination ability. By eliminating the requirements to the select ones who met old FHA guidelines and opening them up to all licensed mortgage brokers (with some needed restrictions) this will increase competition, improve options for the consumer, increase production capacity and be a total betterment for our country while leveling the playing field for everyone. The real issue is that YSP (Yield Spread Premium) is not a steering mechanism but a shopping mechanism. It allows for consumers who dont have money for closing costs, to have them paid via this proceed. In addition, much like a gas station, there is a basic price point that all lenders follow, its called the BOND MARKET. To increase loan volume a lender may reduce costs or increase the amount they pay to an originator for a loan. How, in a capitalistic market, is removal of competition fair or ethical? Consumers are not STEERED into a certain loan or lender because of anything short of benefit to them. If you want to protect the consumer remove the ridiculous, complicated

and misrepresented loan products like the negative amortizing pay option ARM, as I have yet to find a person who took this loan who actually understood how it worked and what the real risks involved were. To lose this ability to offer a wide range of options when choosing a mortgage will further drive down the ability for consumers to buy and refinance home loans, which will make an already hurt housing market (which is one of the key driving forces behind the overall US economy) drive deeper into a hole and accomplish the exact opposite of what it is intended to do. I have a real and validated plan along with numerous case study's that can improve housing, health care affordability and increase the overall net worth of all homeowners. I am happy to share it with any appropriate party, so please feel free to contact me. PLEASE DO NOT implement this poorly thought out removal of YSP as its far reaching affects will be nothing different to the HORRIFIC HVCC that has done nothing other than eliminate affordable loans to qualifying borrowers and has been documented to have stripped over a Trillion dollars from the homeowners equity horribly impaired purchases and refinancing while rates have been at their most affordable in history. PLEASE DO NOT make another similar mistake and PLEASE correct the HVCC one ASAP.