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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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Do not let R1366 pass. The elimination of Yield Spread Premium to brokers may appear to have merit in theory, but will be disastrous in application. Under the guise of consumer protection, R1366 will do nothing more than eviscerate the mortgage broker industry by giving the banking industry an unfair advantage over brokers. It will force many small companies out of business, pushing thousands of hard working, honest Americans out on the street and onto the government dole. Is this what this government wants? Maybe I am not too far off the mark. I believe R1366 has less to do with protecting the consumer and more to do with government gaining more control over the country's industries and economy. I believe the mortgage banking industry performs a valuable service to America's consumer. We have been hit hard recently, and perhaps properly so. However, our free market system has made the proper corrections. We are now ready to move forward. Eliminating YSP for brokers will destroy our industry and actually harm this country's efforts to climb out of a recession. Integral to the free market system is competition. More competitors equals greater competition. When banks and mortgage brokers compete for the consumer's business, price and cost come down. The consumer's freedom to shop pricing between banks and brokers is a product of this free market system. R1366 will take away this freedom. Banks, as they are not required to disclose YSP, will be given an instant competitive edge over brokers. Brokers will not be able to compete and will eventually have to close their doors. Eliminating YSP only eliminates competition for competitive pricing; which will end up costing the consumer more. Say no to R1366 and keep the mortgage broker industry strong. We employ good Americans and provide a valuable service to the consumer. We also provide stiff competition to the banking industry, which has a direct benefit to the consumer. Without us, the consumer has lost a part of their freedom to choose.