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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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Comments:

I hope that the Board takes a long hard look at this proposal and the effects it will have not only on the Loan Officer/Brokers but most directly on the consumer. I am speaking specifically about the proposed elimination of Yield Spread Premium paid to the Loan Officers and brokers by the bank. In the last couple of years in this business the ability to get a loan from a bank is difficult enough for the average consumer. Each day most loan officers look at rate sheets from several lending institutions in order to find the best pricing for the borrowers we work with. Without this competition, we would be forced to charge the consumer higher fees in order to make the same or less money on each loan. In the last few years there has been a reduced number of loan officers who are still in the business due to licensing for each state and consumer awareness. Through current disclosure and competition in the marketplace, borrowers are becoming very aware of the costs and benefits of working with a loan officer/broker rather than directly with the bank. Many of my clients call initially to see what the rate for today is and are shocked to find a rate that is .25% better than the same bank I am quoting them. Your proposal to eliminate this competition among banks will cause higher prices and costs to the borrowers and accomplishes absolutely nothing. Please do not eliminate Yield Spread Premium and therefore competition in the marketplace and increased cost to the consumer.