

From: Sentry Capital, JOHN R HAMPSHIRE
Subject: Reg Z - Truth in Lending

Comments:

Date: Sep 24, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
Document ID: R-1366
Document Version: 1
Release Date: 07/23/2009
Name: JOHN R HAMPSHIRE
Affiliation: Pres. Sentry Capital
Category of Affiliation: Commercial
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

Ending yield spread premium harms the borrower & the mortgage company. Borrowers often want a mortgage w/ no costs. That can only be done by a small increase in interest rate to cover that cost. FHA streamline loans are also no cost loans which are done by raising the interest rate. Further, mortgage interest rates and loan costs are fully disclosed to borrowers & are the key part of the competitive market w/ borrowers. If either are too high in the market, the borrower goes elsewhere. Without some interest rate income, most mortgage companies will fail causing major job loss. A 1% fee (or less) is inadequate for their survival. That will leave only banks (w/ no disclosure requirement on rates) w/ little or no competition as it was for our parents. Brokers w/ disclosure is still the best competitive answer for borrowers.