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Subject: Reg Z - Truth in Lending

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Comments:

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First of all I would like to give you a little background on Wyoming. I am one of just a very few local mortgage companies left in the state. As many have said, the truth stands, all the dishonest mortgage officers have exited the business. As a matter of fact many good ones have also left and with them a lot of priceless knowledge and experience. Many of the loan officers at local banks are simply data entry people and truly do not understand the components of a good loan; let alone the diversity of programs out there for borrowers. No, I am not referring to ARM's no one in the right mind would be getting an ARM right now, and yes prepayment penalties are already gone. More like programs, in WY like, Rural Development Financing, WCDA, conventional, non-conventional ( not Fannie or Freddie direct) and FHA. Most banks here will only focus on one of these program thus certainly not offering the borrower all the options out there so that they can make the best decision for their family. We are also much more capable of finding lenders for unique properties, commonly properties with a large amount of acreage, than any of the banks here - therefore once again allowing the borrower to purchase the property that truly fits their needs. So as far as yield spread is concerned, we are consistently cheaper on rates than any of our local competition, and we are often a whole half a point less than the large commercial banks. Our service is fast and friendly and the borrowers don't have to spend months fighting the big banks who may or may not ever close their refinance. I could probably get you hundreds of stories of people who have paid for appraisals float downs and discount points with the larger banks and still have not closed on their refinance months later. If you remove yield spread from the picture then not only does my little company (whom I realize the government doesn't give a darn about) go away but so does borrower counselling and education and truly competitive products. Yield spread actually keeps rates down and with all the false advertising out there about refinancing with government funds a borrower who chooses a high interest rate loan really is at fault, as everyone I speak

with here knows exactly what interest rates are running at and should be. I truly believe that taking yield spread away would take away from consumers immensely we already have to disclose it like 4 times so it is not as if it is some hidden fee. The borrower still gets a cheaper rate, we got paid and oh! maybe that is how it is supposed to work. Respectfully Yours, Sarah M. Johnson