From: OAMB, NAMB, Matthew L Smith

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:
To whom it may concern: I am a small business owner in actively engaged in the mortgage brokerage business. I have been in business for 11 years as a broker. In the normal course of business we routinely use yeild spread premiums paid from our funding lender to get paid for our services. Quite often we assist first time buyers who typically have little to no money to put into a home. To that end we utilize the USDA loan program which offers 100% financing with no monthly mortgage insurance. When our clients have limited funds or wish not to pay any origination fees on a loan we utilize the option of obtaining our fees from the lender in the form of yeild spread premium. Without this option many buyers who are short on cash will have to wait to buy or ask the seller to pay the fees. When a seller contributes to a buyers costs this only serves to inflate the purchase price. I am not sure how limiting buyers options and choice when buying a home would be beneficial to the market as a whole but I feel that to elminate a banks option to pay YSP, a brokers option to receive YSP and a consumers choice in how to pay for services will better protect the lending industry. Better oversight of the agencies who rate mortgage backed securities would prevent over investment into risky financial products and stop such products from coming to the market place in the first place. YSP is not the enemy in this financial crisis. Don"t let the banking industry lobbyists who seek to blame the broker for all the problems in the lending industry gain a monopoly on the business of loan origination. This will certianly adversely affect rural areas and low income areas from have reasonable access to lenders. Matthew L. Smith 1st Monarch Mortgage, Ltd. PS: 11 years in business with not one consumer complaint to any Better Business Bureau or the Ohio Department of Commerce.