

From: Joe Stowers
Subject: Reg Z - Truth in Lending

Comments:

Date: Sep 26, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
Document ID: R-1366
Document Version: 1
Release Date: 07/23/2009
Name: Joe Stowers
Affiliation:
Category of Affiliation:
Address:

City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

i am disturbed that a proposal has been made to eliminate yield spread premiums. Every part of free enterprise in our country allows an individual to get a product and then sell it for a profit. Every bank does this on every loan they make. they dont get their money at 6% interest and then make a loan to you on your car at 6% interest. They pay their customers 1% for their savings account then loan up to 300 times that amount at rates ranging from 5 to 16%. They make money on their product. Why is it unfair for a mortgage broker to do the same? I am doing a loan right now for a woman and i am making 3% in yield spread premium and then using that money to pay all of her closing costs. She is thrilled because she has a no closing costs loan and it saves her \$118 per month. I still make some money on the loan. If yield spread premiums were outlawed, then she would not have the ability to refinance because she would have to pay her closing costs out of pocket, almost \$3,000 and she didnt have the money to do that. her home doesnt appraise for enough to finance them. You would stop this great woman from saving money by refinancing.