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Subject: Reg Z - Truth in Lending

Comments:

Date: Sep 29, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
Document ID: R-1366
Document Version: 1
Release Date: 07/23/2009
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Comments:

Although the intent of the outlined regulation is to protect the consumer, an opposite affect will occur by limiting or removing yield spread premium to bankers or brokers. Specifically, the institutions of mortgage bankers and brokers will quickly dissolve due to lack of revenue. This certain market decrease will leave consumers to deal directly with direct servicing banks who will have at that point little to no competition and thus the cost and rate the consumer will receive will be at their total mercy. Limiting or removing yield spread is not the answer. The current consumer protection regulations in place (3 day re-disclosure, TIL and options to seek differing options at no cost to consumers) do focus on educating the consumer and give them the ability to make good financial decisions.