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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:

In regards to the proposed rulemaking on mortgage disclosure: As a small business owner and a mortgage loan broker of 12 years, I would like to make my voice heard. The elimination of Yield Spread Premium will destroy my industry and my business. There are no programs out there where YSP causes a borrower to be steered any longer. All of the subprime loans that caused the mess we're in are history, and most all of the bad-apple brokers that were ripping people off are out of the business now. The catastrophic mess in our business weeded out the week via free market forces. Those of us that are left are by & large the honest people that make an honest living by treating consumers well. We disclose on the Good Faith Estimate, the Mortgage Brokerage Business Contract, the Mortgage Loan Origination Agreement, and the HUD-1 settlement statement that we earn money by selling the loan to a wholesale lender at a profit (YSP). What this rulemaking is accomplishing is simple: 1. Eliminates the mortgage brokerage industry, which will put thousands of people out of work, out of a career, and possibly in the streets. 2. Eliminates competition - I, as a talented broker, can nearly ALWAYS give a consumer a better deal than a bank. This is because I purchase money at wholesale rates. The consumer's cost of getting a mortgage loan will go up as a result of this. Banks do not have to disclose Yield Spread Premium, and as a result this will create an uneven playing field because it will not effect the way they do business. 3. America is a capitalist economy. The net effect of this rulemaking will be to outlaw small businesses' ability to earn a profit. Wholesale Rates + Markup = Retail Rates. This is no different from going to the grocery store and paying \$1 for a can of green beans - the retailer bought them wholesale for \$.50, and marked them up to pay their employees, overhead, and to make a profit. I hope that Mr. Bernanke will rethink these ill-advised comments and recommendations. But if not, I will be happy to send my personal mortgage bill to him to pay after he makes the way I make my living illegal. Then more TARP taxpayer money can be

paid out to the lenders that have the mortgages on the 3 pieces of real estate I own when they go into foreclosure.