

From: Derek R Egeberg  
Subject: Reg Z - Truth in Lending

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Comments:

Date: Oct 02, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages

Document ID: R-1366

Document Version: 1

Release Date: 07/23/2009

Name: Derek R Egeberg

Affiliation:

Category of Affiliation:

Address:

City:

State:

Country: UNITED STATES

Zip:

PostalCode:

Comments:

Let me say first, thank you for allowing us the ability to comment. The consumers should have flexibility, choice, education and options. With that in mind, my fear for the consumers is loss of options, flexibility and choice. Whether called YSP or SRP, back side pricing allows us as mortgage originators to offer the choice of all points, some points or no point loans. Most consumers are struggling to come up with the minimum 10% down, and yes I did say 10% down that is required in what FNMA and FMHLC define as "declining" markets. When you compound that with the LLPA or Loan Level Price Adjustments mandated by FNMA and FMHLC the borrower may need up to 12.5% before even looking towards costs and prepaid items such as lender costs, title, appraisal, insurance, tax escrows, etc. Having that back side pricing allows reputable lenders to reduce those costs to the borrowers. As a ten year veteran of this industry I have had the pleasure of helping thousands of families into their homes. In that time, I have focused mainly on the government world of FHA and VA. Because that has always been full documentation and simple 30 year fixed loans without pre-payment penalties. Because of that, I feel comfortable saying that there are very few if not zero "bad" loans being originated still in this market. What will be originated if the YSP/SRP is removed is significantly higher cost loans to all consumers. I ask that whom ever reads this comment pull an LLPA cost guideline from FNMA/FMHLC to see the costs that must be paid by the consumer. The lenders that I know personally use the YSP/SRP to cover those types of costs rather than having the consumer come out of pocket with those. I have personally used the YSP to cover items such as appraisals, escrow and day's interest to name a few. Please simply keep in mind that the previous legislation of MADATORY mortgage education and individual Loan Officer licensing has yet to be implemented. As of 2010 we as an industry will now be able to track all loans originated by an individual. That

fact alone should either remove or stop any problems in our industry. I ask that you allow the current legislation time to take effect which I and any reputable lender fully support. Thank you again for the time to comment.