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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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Elimination of yield spread premium is an outrage. Does the Fed even know what a broker does? We help shop for a loan and lender with the lowest interest rate for folks to buy or refinance a home. We provide documents to the bank that requests them to complete the loan. The transfer of a loan to a bank is how a broker makes money so the buyer has few fees to pay. Elimination of the ability to pass a loan to a bank for profit means the consumer has to pay more fees. Do you think my business costs are going to vanish after the fed eliminates profit we can make as a broker? How does the fed propose a broker is to recoup this profit loss? The bills we pay and licensing and insurance and HUD licenses still have to be paid for us to operate. Why on earth would you want to cost the consumer more fees and hurt the small businesses in the mortgage industry in a declining economy? The ability of a broker to earn money on a loan from a bank has never caused a single foreclosure and it saves money for the consumer. This change would not lessen the default rate on loans in any way. The industry has already solved the problem of defaulting loans by requiring tax returns on all files and eliminating stated income loans (liar loans) and requiring stronger credit reports from borrowers. People losing their job are now the only problem remaining causing loan defaults. This proposed fed action will eliminate jobs and it eliminates competition. The fed capping profit means fewer brokers and fewer places for consumers to look for a home loan. Please explain to me when less competition has ever helped the consumer? You would rather a consumer go to a single bank for a loan rather than a broker who will shop hundreds of banks for their customer? If the fed makes this change they should make the change for all services provided in all industries to make it fair. No more insurance brokers. No more stock brokers. A mortgage is a commodity and we should not receive compensation for its origination? You are telling me a stock broker should make an un-regulated unlimited commission but not a mortgage broker? We have 20 times the workload and expense to run our

companies compared to a stock broker. The federal government knows best what kind of money we should earn rather than what the market will bear? The federal government knows all of our costs and expenses in running our business? The consequences of this action will cause hundreds of thousands to leave the industry and cause further damage to our weak economy. This proposal is a loss of focus on real problems in the industry. Why don't you eliminate ARM loans or require more money down or increase the required strength of a borrower to obtain financing rather than penalize an entire industry trying to provide a service to their community. The fed needs to steer the mortgage ship towards consumer choice and consumer protection and loan programs consumers can actually afford and not torpedo the financing industry along the way.