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I really see FRS-2009-0240-0001 hurting our industry. Not only will it hurt professional loan originators, it will hurt home buyers as well. Ultimately, a mortgage banker or broker needs to make a profit in order to serve clients. Right now the home buyer is actually the one with a choice, which is a good thing. They can opt for a loan and pay no points in order to keep their closing costs to a minimum. Or they can pay an origination point in order to get a cheaper rate. It is the home buyers choice. If the choice is taken away, the lender still needs to make a profit, so they will only have the choice to charge points. Again, I see the home buyer losing because of the lack of choice.

If profits are cut too much, more lenders will go out of business. This will hurt home buyers. If loan officers can't make a fair profit, they will leave for other industries. With all the fall out in the realestate market, only the better, more professional loan officers seem to have survived. If they can't make a fair living, they will leave and home buyers will have to rely on less skilled and seasoned loan officers to get their loans done. This is not an easy busines. Especially right now. I think eliminating back end profits on home loans will hurt the industry including home buyers.