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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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Eliminating Yield Spread Premiums is not the answer. Right now borrowers have a choice. When we buy insurance do we know how much the insurance agent is making? Are the insurance agents giving us a insurance plan that is best for us or for them? Can you imagine shopping for a loan and only having a few choices? That's what will happen if this is passed. What's going to keep the banks from being competitive? This plan eliminates competition and creates a monopoly with banks. Right now consumers have choices: Mortgage brokers, Mortgage bankers, credit unions, banks, and correspondents. Mortgage companies get paid YSP or Service Release Premiums and this is a good thing. It gives the consumers choices as to which loan will be right for them such as, a no point loan. It allows consumers to take an offer from one company and shop it to another company. Do we make a big deal over how much realtors make on a real estate transaction (6% of the sale of a home which is at least 3 times as much as a mortgage company will make on a home loan including YSP). Why should the government tell an industry what their compensation should be? Let the market dictate their compensation. If a consumer is given a offer from a mortgage company and the consumer doesn't like the offer and think the rate and costs are too high let them try to negotiate or shop the loan to another company. Free Market. The answer? Is education, show consumers what they need to know. Teach them in high school and college. In my book, Mortgage Secrets 6 Steps To The Lowest Rate and Closing Costs...Guaranteed! The book educates consumers on what they should know about shopping for a mortgage. It's not new information it's information that has been available to them. Knowledge is power. The educated always has the upper hand. Protect the consumer by educating them.