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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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The concept of eliminating YSP will damage all parties involved in a mortgage. First, YSP is a useful tool that provides a method to offset the consumer's costs of obtaining a mortgage. Considering the costs of obtaining mortgage financing including lender fees, appraisals, title, escrow and fair broker compensation, without YSP all of these costs will become "out of pocket" costs for the consumer. In many, many cases these out of pocket costs will prohibit individuals from refinancing or purchasing a home with no mechanism to reduce all or part the out of pocket costs of obtaining financing. Many individuals seek very low out of pocket refinancing costs, this bill will eliminate the opportunity for these individuals. This bill will also significantly eliminate competition by putting brokers either out of business altogether or reducing the competitive differentiation between brokers. The consumer will always pay the price for reduced competition and will pay significantly more for a loan at a bank than they would through a broker. Why put tens of thousands of brokers and wholesale lending firm employees out of business and significantly increase costs to the consumer through reduced competition and reduced out of pocket cost alternatives? It makes no sense to anyone unless you happen to be a retail lending institution that doesn't disclose their gross profit to the consumer.