

From: First Kansas City Home Lending, Martin Still  
Subject: Reg Z - Truth in Lending

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Comments:

This is in regards to Loan Officer Compensation. I feel the current proposal would be do more harm than good in trying to protect the consumer. When I work to secure a loan, it is to my advantage to offer the best rate that my company will allow me to offer and it is all done through yield spread. A loan is better than no loan and if I am not competitive in rate than I will not get the business. It has its own built in mechanism to be competitive to the consumer. The ability to not have to pay a fee or hourly rate is also a big advantage to a customer that is already struggling to come up with the cash to close. If they are also required to pay additional cost for origination expenses, then it will reduce the number of possible real estate transactions by eligible buyers. I can't tell you how many times I have worked especially hard to get cost and rate down for the customer in order to make a loan work. Lets not forget the other side and the positive side to yield spread.

This is common sense business to allow the customer to pay expenses through yield spread, just as it is in any other business that is works the same way, such as wholesale versus retail operations. Let's not look at a few misunderstood negatives and focus on the small picture and forget the advantages to the industry and the consumers on how the current structure benefits the customer.

HERA and HVCC have already produced many challenges and caused so many loan failures for the American people that if we continue down this path we will eventually do exactly opposite of what we are trying to accomplish and that is opportunity and competition for the market place and the consumer.

Sincerely,

Martin G. Still  
First Kansas City Home Lending