

From: Hart Weatherford
Subject: Reg Z - Truth in Lending

Comments:

Date: Sep 22, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
Document ID: R-1366
Document Version: 1
Release Date: 07/23/2009
Name: Hart Weatherford
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country:
Zip:
PostalCode:

Comments:

I will make my comments brief. I formerly worked for a bank before launching my career as a small business owner and mortgage broker. As a mortgage broker, I have found that not only am I consistently beating the bank's rates for my customers, but I am also saving the customer much money on fees. Isn't this a good thing for borrowers?? If yield spread premium is abolished, then the big banks that already run this country will have more reason to increase the rates that they are offering. The competition will be wiped out of the mortgage industry. Since most people making the new rules do not always understand how certain industries work, let me explain a couple of things. First, the big banks mark up the offered interest rates to cover expenses and overhead, so the rate being offered is not typically competitive, then that same big bank "sells" the loan to Fannie Mae or Freddie Mac for a fee called a service release premium, which is essentially the same thing as yield spread premium. Someone is being paid a mark up for the loan. Small mortgage broker companies can do the exact same thing, but the customer will pay less for their rate. Why would you eliminate this competition? It just does not make sense. You will kill the mortgage industry causing massive job loss from loan originators to loan processors to wholesale lending offices at banks. You will eliminate the banks reaching out to many more customers through brokers in areas where the banks do not have a presence that they would not typically reach giving the customer more choices for other financial services. I am sorry but this time, you are making a severe mistake. One last thing, I keep up with all that happens in the mortgage industry, and today (September 22) is the first time I have heard about your proposed rule. Unfortunately, in a free market country, you have found a way to make the comment period quiet from most in the industry. Please remember what country you represent and be fair to all of the industries.