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Subject: Reg Z - Truth in Lending

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Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages  
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Comments:

The elimination of Yield Spread Premium (the commission banks give to mortgage brokers for delivering loans) creates a significant disadvantage to Mortgage Brokers when competing with banks. Mortgage Brokers are already required to disclose the YSP on the HUD, banks do not. Elimination of the ability for Mortgage Brokers to earn their living this way will choke out the Mortgage Brokerage industry. Consumers need the experience and individual attention that a Mortgage Broker provides. Although there is a perception that Mortgage Brokers had something to do with the Mortgage meltdown, remember that the banks, freddie/fannie, and Wall Street were responsible for creating and approving subprime loans, low/no documentation loans, etc. Mortgage Brokers do not create the guidelines and should not be persecuted for the poor judgement of these other entities.