

From: Dustin Kaffenberger  
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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Name: Dustin Kaffenberger  
Affiliation:  
Category of Affiliation:  
Address:  
City:  
State:  
Country: UNITED STATES  
Zip:  
PostalCode:

Comments:

Eliminating yield spread premiums would essentially eliminate Mortgage Brokers. We could not compete with banks any longer. Yield spread is used to keep the cost of obtaining a mortgage loan down. Banks are also participating in this practice through the use of Service release premiums. Brokers get wholesale rates from banks and sell them to our borrower's retail. Is this an illegal or predatory practice? Is it considered predatory in any other market? If we have to charge all fees to our borrower directly and can not have the yield spread to offset the cost it will hurt the consumer. Yield spread does not steer consumers into higher cost loans. It saves them money and in many cases keeps them from having to pay money out of pocket to close their loan. If looking out for consumer interest is the goal eliminating yield spread premiums would be counter productive. If you would like to cost the consumer more money, eliminate options for consumers, and slow our housing market by forcing mortgage brokers out, then you are on the right track getting rid of yield spread. I sincerely hope the decision makers can see this can not possible help consumers and is Un-American to even purpose.