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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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I cannot believe it has come to this... I have been a mortgage lender for over 10 years and sincerely believe this has been completely blown out of proportion. YSP has NOTHING to do with "steering" borrowers into higher cost loans... How about we only eliminate YSP for Adjustable Rate Loans or ALL loans other than FIXED Rate Mortgages??? There is an idea... While I do agree that a new Truth in Lending in plain vanilla text and wording will be better for the consumer I 100% disagree on the YSP. Why is it that when I go to McDonalds they do not inform me of the profit they are making on the big mac prior to selling it to me... They should be required to alert me that Hardees down the street is offering me the same sandwich for \$.75 less on special??? That would be crazy and so is eliminating YSP. Why when I purchase a new car is the dealer not required to show me exactly how much money he is making on the transaction...The trade in of my vehicle, the price of the new with all factory incentives/holdbacks... and finally in the finance department??? My point is no one is and this over regulation is only going to destroy what is left of the residential home market in this country and furthermore put more downward pressure on home values. Is this the intention? I dont think so.

Finally, it is my belief that this bill in its current form will eliminate competition for the large banks. At the end of the day when the only place you can get a mortgage is one of the banks already bailed out by the Federal Government (Bank of America, Wells Fargo, Chase...) do you think they are going to be offering the consumer the lowest rate available? There will NOT be any competition...I think you have this all wrong here. You are so very concerned about policing the brokers and small lenders, it is in fact the brokers and small lenders that keep the large banks honest. If there is no more competition which there will not be, the banks spreads on mortgages will just increase dramatically and how this will help the consumer with a higher rate on their mortgage is beyond

me... Eliminate YSP on all loans other than FIXED Rate Mortgages and I would agree this would be a great idea but eliminate all together and you are laying the framework for a mortgage meltdown that you have never even imagined. Adam