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Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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I think more research should be done before eliminating YSP from mortgage brokers. Bank employees receive the same compensation but it has a different name (SRP Servicing Release Premium). By eliminating YSP brokers lose a lot of ability to actually help borrowers. As a mortgage broker I use the YSP to often help my borrowers with closing costs. This is known as a Lender Credit. I actually give that money back to the borrower. Without YSP I can only earn Origination which eliminates my ability to help borrowers the way they can be helped now, it would actually require borrowers to have more money to close resulting in higher costs to the borrower. This also would eliminate NO FEE loans. There are always fees, they just get paid from the YSP instead of the borrower. Nobody goes to work and works for free. The underwriter, processor, everybody involved in making a loan happen still gets paid including the originator. YSP covers the costs for the borrower. What will happen if YSP is eliminated is you risk closing every brokerage nationwide. That means as a borrower your only options will be your local banker or credit union. Costs will go up and loan options will go down. This proposal will do exactly the opposite of what is intended. As a professional in the industry I have already seen new policies work wrong, I hope there is enough foresight to prevent further harm to the American public.