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Comments:

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Comments:

I am completely against any legislation that takes away the option of offering a borrower an interest rate on a home loan that makes sense for that borrower's financial condition. Eliminating Yield Spread on a loan would do just that. The first example that comes to mind are the countless young people across our Nation who have worked hard in school to get a good paying job - and can afford to the monthly payments on a home, yet after paying off student loans, have very little accumulated in savings to pay for the costs of down payment, closing costs and reserves. Having "yield spread" available to lower the closing costs on a home purchase often determines whether or not those borrowers can realize the American Dream of home ownership. In the case of Refinance loans, there are many times in our fluctuating markets when interest rates are down, and homeowners can realize huge savings on their home loans by refinancing. The availability of Yield Spread pricing in many cases allows these borrowers to save further by keeping their LTV ratios within the parameters of the loan guidelines and realize these savings on their monthly payments without having to take money out of their savings accounts (if they have any savings!). It is a huge crime that a few "slimy" lenders who hide their profit from uninformed borrowers by packing on points "on the front" and "on the back" would create the need for lawmakers to step in and start creating "reactionary" legislation that will do more harm than good. There are better solutions available to insure that borrowers understand the actual cost of buying or refinancing their home than to take away Yield Spread Premium Pricing. One very good step was to regulate disclosure of fees, and require "re-disclosure" if the APR changes. Please do not take away Yield Spread Premium from our Borrower's. Take a few more minutes, take a deep breath, and put on your thinking caps. There are countless solutions that solve the problem you believe exists without hurting the borrowers who need that pricing structure.