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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:

This proposal would severely hamper the borrowers options to mortgage financing. It would prevent NO cost loans by using the YSP to pay for the closing cost. In the event that a borrower only has enough money for the purchase of a property but not the closing costs for the loan, this proposal would effectively preclude the buyer/borrower from the transaction. Some rare cases, borrowers actually benefit by having a higher interest rate for an increased 1098 mortgage interest deduction on their taxes. Why not let the borrowers have this option and choice? If they prefer to pay points to buy down the interest rate or to have a No point and no fee loan. (The loan agent, broker can use the YSP paid to them by the bank as a credit in escrow to offset the closing costs) The unfair advantage that banks would have would limit the competition and choices ,ultimately borrowers will be steered by Banks to their financial products exclusively.