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Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages  
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Well, this is a wonderful proposal. I work hard, I study the new regulations, I get my license and go through that fun process. I know that, even though this industry has been regulated to death and there are still more to come; I know that I enjoy this profession. It's stressful, it's frustrating at times, but getting the opportunity to help a couple get into their first home or helping someone refinance their home into a 30 year fixed from an ARM and actually saving them money is my happiness. I wish to pursue this happiness for as long as I can. In many cases the lender has adjustments for LTV, credit score, etc. and these adjustments to the price or YSP are outrageous, but inevitable. If there is no YSP then how will the borrowers pay these high adjustment costs? Bottom line is most if not all compensation to the broker comes from the lender in order to keep closing costs (origination charge) to a minimal if at all. If you take YSP away you will force the borrower to pay exceedingly high closing costs in the form of origination and adjustments that many just can not do. YSP is the way Mortgage Brokers balance the closing costs and adjustment costs by offering a certain interest rate. It is our job to disclose everything to the borrower and it is the right way, but the borrowers should always have the choice between paying an origination fee and receiving the best interest rate available to them or having the origination fee paid by the lender. If YSP is taken away or changed to a flat fee it will force many, if not all; out of this business. The average Mortgage Broker these days makes 1% of the loan amount as opposed to a few years back when the industry got out of hand, but regulations are being followed these days and adhered to. The process of closing a loan is much more difficult than it ever was and now we are being told that there is a proposal to get rid of the most important part of helping a homeowner, the ability to offer a choice. Now is not the time to handcuff the lending industry even further, if the housing industry comes to a halt and it will if YSP is

taken away, there will not only be a huge job loss, but a collapse of society.