

From: Trinity Mortgage Company, Jack E Gritter
Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Name: Jack E Gritter
Affiliation: Trinity Mortgage Company
Category of Affiliation: Commercial
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

The proposal to eliminate yield spread premiums paid to mortgage brokers and correspondent lenders will hurt, not help, the general populous. Like many capitalistic enterprises, mortgage brokers serve an important middleman role - connecting consumers with lenders who can best serve their needs. Much like travel agents searching for airline deals or special travel packages, we mortgage brokers are able to shop Lenders for the best rate/program to meet the specific needs of our borrowers. Some lenders are very competitive on conventional loans but not FHA loans; others have competitive 15-year or 20-year loan rates but are out of the market on their 30-year terms. Still other lenders charge higher fees but offer quick turn-around times which can help buyers/sellers meet closing deadlines. We brokers with experience know where to turn to best assist our clients. Unlike large banks which have one product line and one set of lending guidelines, we brokers provide access to many lending choices. Homebuyers deserve this. If banks become the consumer's only choice for mortgage financing, loan options will be mute and competition will be notably diminished - resulting in higher rates and fees, and a decline in service. Witness South Florida title companies who handle REO sales for banks such as SunTrust - their closing fees are 200% to 300% above market norms and their service is horrible. Such is the nature of captive, non-competitive "service" providers. Keep us in business and we will serve your constituents - and you will be serving them as well. Thank you.