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Comments:

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In Colorado, we disclose how much YSP we are earning, make this mandatory across the nation, but certainly do not remove the ability for us Loan Originators to make a living and definitely do not remove the consumers option to NOT PAY ANY POINTS (more detail below). This is a bad part of this bill and this portion should not be passed. Eliminating YSP will make it impossible for consumers to receive a "no points" loan and it certainly would make it impossible for them to have all or part of their closing costs paid for by their broker. My clients knowingly opt for it all the time when presented the choice (which they always are). Hardly any of them ever want to pay points for a lower rate - especially on a refinance. Eliminating YSP will, in many instances, harm those you are purportedly interested in "protecting". For example, on a loan where I was able to close my client's loan without charging them any points and I paid for all of their closing costs out of the YSP. They were able to get a 4.375% 5/1 ARM with no points or closing costs. It was a perfect product for them because they are going to move in 2 or 3 years. They would not have been able to recoup their costs in that time frame had they paid points or costs for a somewhat lower rate. They were thrilled. The YSP on that loan was 1.5 points. Closing costs were about a point and I netted a 1/2 point commission. Hardly rapacious. I have done hundreds of similar loans for my clients over the years and they keep coming back for more. Basically, I don't think the lawmakers understand how YSP is used. Properly disclosed, discussed and utilized it is a powerful tool to aid the client.