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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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...the Board's proposal would: Prohibit payments to a mortgage broker or a loan officer that are based on the loan's interest rate... The above is ridiculous. ALL lending institutions earn more at higher interest rates. The higher the interest rate the more earnings on the loan. On a given day, if a major Bank is offering 5.125% with a charge of 1.125% in points, a smaller mortgage company may be able to offer 5.125% with ZERO points to the consumer BECAUSE OF THIS TYPE OF COMPENSATION called Yield Spread Premium. Under this proposal, the smaller mortgage company would not be able to offer a ZERO point loan because they would not receive compensation for closing the loan as they do today. This verbiage within the proposal would eliminate competition in the mortgage market and hurt the American consumer. This verbiage must be eliminated.