

From: Spectrum Mortgage Company, Inc., David Kerskey
Subject: Reg Z - Truth in Lending

Comments:

I have read portions of the Truth in Lending Proposed Rule. My concern centers around the payment to Brokers based on characteristics of the loan.

I am a successful, conservative mortgage professional. The interest rates I charge customers are regularly below what other retailers can offer. For example, if Bank of America is offering 5.25% for a mortgage I can offer 5.00% and give the customer a better, more affordable payment (not to mention service and education). Because 4.875% would offer me almost zero compensation I choose to do what any company trying to make a profit does by selling a rate to account for my expenses, livelihood, etc. This is the nature of business. I constantly keep my wholesaler's rates researched and make sure I am competitive. This is why customer's come to me!!!

Your proposal is extremely anti-business. It will put guys like us out of business and allow the bigger lender's to charge HIGHER rates with the lack of competition. Your suggestions seem to forget the laws of supply and demand. If I tried to give these borrower's a rate of 6.00% then I would lose the customer. Because I am giving the customer the lowest rate they will choose to come to me. This is economics 101 yet you are trying to artificially change the playing field.

All businesses in this country operate this way. Your suggestion seems to be attempting to fix a problem surrounding uneducated borrower's who have previously been mistreated. I am sorry that this type of business practice has existed but you can not change the core of a business model to try to solve the problem. The market is the market and you are going to throw that out in trying to control fringe aspects of the business that don't have relevance to guys like me.

Please reconsider your logic on this suggestion as I believe that you are potentially doing much more harm than good.

Thank you for your time and consideration.

David Kerskey-Owner
Spectrum Mortgage Company, Inc.
1935 St Andrews Court
Jamison, PA 18929
215-343-3505 Phone
215-343-5644 Fax
215-317-1315 Cell
spectrummortgage@comcast.net
www.loansbyspectrummortgage.com