

From: 1st AllianceMortgage, LLC, Tony Bomis
Subject: Reg Z - Truth in Lending

Comments:

To Whom It May Concern:

The discussions to eliminate yield spread premium are outrageous and would put a serious strain on mortgage brokers as well as mortgage customers.

As mortgage brokers, we sometimes only get paid yield spread on transactions. This happens when the client doesn't have much down money for a purchase. It also happens when the client prefers to take a slightly higher interest rate on a refinance in order to not pay points; they may believe they'll be in the house for only a couple years, whereby they wouldn't be in the home long enough to offset their point or points.

So these would become transactions that brokers could not even do. But these types of loans represent 60-70% of our business so losing them would cost us a living and put us out of business. Is that the goal here?

Furthermore, sometimes making 1% or even 1.5% origination on a deal doesn't make it worth doing. 1% origination on a \$150k loan that we work on for 2 months breaks down to \$25 a day gross. Making some yield spread in addition to the origination on the other hand makes it worthwhile to do.

Please stop these discussions on eliminating yield spread premium. It would put mortgage brokers out of business and leave mortgage originations only in the hands of 2 entities: 1.) local banks and their strict guidelines and 2.) the super powerful big banks like Wells Fargo.

Thank you for reading this.

Sincerely,

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