

From: Kimie Seaton  
Subject: Reg Z - Truth in Lending

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Comments:

Dear Sirs,

Banning yield spread as a form of compensation to mortgage brokers will HURT the consumer. Over the last 5 years, I wrote 2 subprime loans only because my clientele is made up of high income, high FICO earners. In 90% of my purchase loans, after offering lower rates in return for a 1% origination fee, my clients chose the slightly higher rate so that they could bring less cash to close. In California, home prices are still high and require a large sum of money to make a down payment of 20-25%.

Currently, I'm working with a couple that earns \$200K/year and they want to buy in a good school district for 1 million dollars. This means that they need a minimum of \$200K plus closing costs. We've reviewed the mortgage broker fee disclosure and how they could save on interest by paying a point. This couple of a Stanford undergrad/Harvard Business school and UC Santa Barbara graduates are choosing a no point loan because they don't want to liquidate any more than about \$210K including closing costs.

This bill will prevent SO MANY people in California from buying or refinancing. Disclose, disclose, disclose! That is your answer, NOT taking away legitimate options to consumers.

Regards!

Kimie Seaton