From: Riverside Funding Corporation, Fred Rossi

Subject: Reg Z - Truth in Lending

Comments:

We need top protect the public. .

The proposed changes will result in loss of competition from small lenders whose primary access to the market is through wholesale channels via mortgage brokers. For example we are able to get a borrower a high balance agency loan for 5.25% with no points, with a small lender whose only public access is through mortgage brokers. The same loan at Wells Fargo was over 6%. In other words Wells Fargo would be making about 4 points on the file! - a additional cost of about $16,000 to borrower based on a $400,000 loan !!!

That is exactly what will happen if small lenders are effectively denied access to the public through mortgage brokers; the public will wind up paying much much more. The wholesale market should not be eliminated as the public will suffer to the benefit of large lenders. However,a fair solution may be to concede a limit on YSP to 2 points but lets also keep the big lenders honest by limiting SRP to protect the public. This proposal is, in fact, an attack on small lenders and the public by large lenders to the detriment of borrowers.

Fred Rossi, President
Riverside Funding Corp.