

From: C&T Mortgage, LLC, Carrie Panacek
Subject: Reg Z - Truth in Lending

Comments:

Dear Sirs:

I am writing this email to implore you to reconsider the option to make all loans pay a set fee or by possibly an hourly fee to mortgage brokers. Let me begin by saying we are a free society and should be allowed to actively compete for a wage that is not set by our government, after all we live in the USA not China. Secondly, YSP is not a bad thing as the banks make it seem. In fact most times we will offer the clients a much more competitive package by making money on the back end in lieu of charging up front origination fees as all banks do. Several times we walk into Bank of America to do our business banking and their rates/fees are posted for mortgages. Every time over the last three years our rate/fee package is much lower for the consumer, why? Because our loan officers make a YSP where BofA employees get a set fee or commission per loan. They do not have any incentive to lower peoples rates and they automatically charge upfront fees that many mortgage brokers, including my company do not. Almost all of our loans are delivered without points, origination fees and other junk fees that the big banks charge, thus saving borrowers money. Do the calculations yourself, taking a higher rate in lieu of paying upfront fees is often the most economical choice. Look at doing a no cost refinance for a borrower by increasing their rate to pay for the fees involved with refinancing, the no cost refinance is a better option over the life of the loan even if the rate is higher!

Furthermore, taking YSP away from brokers is only going to limit the options to all consumers. If our company is willing to take a loan for \$1000 in YSP whereas broker number two is only willing to take a loan for \$2000, this breeds competition, this breeds a competitive market place to keep rates low to consumers. If all loans are the same, what will keep banks from hiking rates to make the most possible because frankly I believe we all realize big banks are out for the big bucks, and Joe consumer (which includes all of us) get left in the wings. I am not sure as to when our society changed to protect only the big businesses. Our country has been founded and will continue to thrive because of not in spite of our small business. Are you really trying to put all brokers out of business? This is what this kind of change will do to our industry. There is enough unemployment in this country now and your changes will only increase the numbers, as the little guys go under making way for government controlled banks to rake in all the money and further deteriorate our already fragile economy.

The mortgage industry has been through so many changes over the last couple of years and in so many cases the government is looking for someone to blame which is often the little guys! Please seriously look introspectively at this idea, did the brokers make the rules? Did the brokers provide the programs? Did the brokers lessen regulation in lending? Did the brokers lessen regulations in the stock markets? Did the brokers rate the mortgage backed securities for sub-prime loans giving them AAA ratings instead of junk ratings as we all know they were? Stop blaming and punishing the mortgage brokers! There are naturally bad brokers in this country, those that should be punished and those

that should be driven out of the market to allow for a much better more honest/ethical industry. But not all of us should be punished. And another thing, charging an hourly rate? Seriously - that is just a breeding ground for fraud and over charging for services and should literally be laughed out of the conversation.

I thank you for your time and consideration and pray that you all protect our industry, our country and us as a people by squashing this debate once and for all.

Sincerely,

Carrie Panacek
C&T Mortgage, LLC