From: Allison Vanpelt

Subject: Reg Z - Truth in Lending

Comments:

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09/04/2009 02:25 PM

To
cc

Subject FW: Reg Z; Docket No. R-1366

The passing of this reg would ultimately harm consumers by reducing competition in the mortgage industry. The remaining mortgage brokers left in the industry would be forced out of business (this seems to be the ultimate goal). The industry is already regulated as to how much ysp or fees that are allowed to be charged for a mortgage loan. Brokers fees and rates are very competitive with banks fees and rates. To assume that a borrower is being disenfranchised by paying ysp and not srp is absurd. The borrower has the option to shop loans, rates and closing costs with all brokers, banks and retail lenders.
Eliminating brokers, by the passing of this bill, will mandate that borrowers must use a bank or other retail banker when obtaining a mortgage loan. Thus decreasing the amount of qualified borrowers, amount of mortgages generated and ultimately deflate the housing market. Banks would have free will to charge as much srp as they see fit and rates could increase, all having a negative affect on the housing market. Decreasing property values, decreasing home sales, decreasing customer service and increasing interest rates, increasing closing costs all ultimately bad for the consumer. Mortgage brokers generate approximately 70% of the mortgage loans and banks could not handle this volume. See article from CNN:

Lenders drop mortgage brokers
Some big banks are cutting out mortgage brokers and having lending generated by their own people. That could be bad for consumers.