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Comments:

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Comments:

In regards to the proposed rule on eliminating Yield Spread Premium, I am still unclear how and why the Federal Reserve Board thinks this will improve and protect the consumer when seeking a mortgage. As a licensed mortgage broker, I have been disclosing to my clients on the Good Faith Estimate, Mortgage Broker Contract and Mortgage Loan Origination Agreement upfront at the initial application what we will earn in YSP. It is also redisclosed should anything about the interest rate and or Yield Spread Premium change prior to closing. It is again disclosed at closing. The point is that this elimination will shut down the wholesale mortgage industry and consumers will actually lose their ability to shop for a competitive mortgage loan. Mortgage broker companies almost always provide a better overall deal for the consumer than a large bank. Mortgage brokers must disclose their income up front so that the consumer can make an informed decision on their loan. Most ethical hard working mortgage professionals are still working because they did not abuse the system when lenders were offering their exotic loan programs with high pay outs. (Lenders-banks-etc. were the creators of these loans, not mortgage brokers). Most large wholesale lending institutions, including banks, already have limits on what 3rd party originators (mortgage brokers) can earn on each loan, which is more than what most honest hard working professionals will earn on each loan they work hard to close. Our industry does need more regulation, and I think we have seen some very positive changes over the past 18 months in regards to this. However, this is NOT one of the positive changes. This will kill free enterprise in the home lending arena and hurt the consumer ultimately.