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I understand the desire of the Fed to protect consumers, however the proposed rule to fix (or eliminate) the yield spread premium will not be in the best interest of mortgage consumers. It will not have the effect that the Fed hopes it will. It will take away competition in the mortgage market by further reducing the ranks of mortgage brokers. I have been a mortgage lender in some capacity since 1991, and have worked both as a banker and mortgage broker. I have never once steered a customer to a mortgage product because of the yield spread premium. I have however been able to provide lower upfront closing costs to a cash strapped borrower because of the availability of the yield spread premium; and I have been able to provide better service as a mortgage broker than as a banker. So, the yield spread premium offers flexibility to the broker and borrower in structuring a mortgage product to suit their specific needs. From the borrowers perspective, they understand that we get paid by the wholesale lender through the YSP, but they shop for rate and costs. If as a broker my rate and costs are less than a competitor (ie bank), then the borrower is getting a better deal regardless of the amount of the yield spread premium paid to me. This proposed rule will eliminate more mortgage brokers, which will decrease competition in the mortgage industry and be bad for consumers. Already, because of other issues in the industry, banks are grabbing most of the originations of new mortgages. These banks were "saved" by the actions of the treasury and the Fed. Now through HVCC as well as the misguided new fees and requirements of Fannie and Freddie the mortgage industry is on it's knees. This rule will help to eliminate the small broker and ultimately will increase costs to the consumer by giving an advantage to the banks, who by the way get a spread premium as well, it's called the SRP and is totally hidden from the consumers view. What steering has happened because of the YSP ? I think the troubling issues in the mortgage market have already been eliminated. Subprime mortgages (that were designed by banks and the secondary market, not mortgage brokers) are no longer available. Any criminals or incompetent mortgage brokers have already been weeded out by the new licensing requirements. Taking away the YSP is unnecessary and will not

serve the consumer.