

From: Amiel Steuerman
Subject: Reg Z - Truth in Lending

Comments:

To Whom it May Concern,

I have been in the mortgage industry for over 8 years. The elimination of Yield Spread Premium (YSP) will destroy my industry and my business. Currently there are no programs out there where YSP causes a broker to steer a borrower. Recently there have been so many new laws and regulations that have been passed that lenders, mortgage bankers and brokers no longer have the ability do a lot of the loans that created some of the problems. You need to let some of the new regulations filter through the lending industry to see the results. Moreover you need to enforce some of these regulations so that people that break these laws and regulations are severely punished.

The new Reg Z and Higher -Priced Mortgage is a perfect example. The regulation sets parameters for high cost loans where if a loan has a high or a non competitive APR this loan would be considered a high priced mortgage. A lender will not be able to close this loan.

Let the free markets dictate the success or failure of business. The catastrophic mess that we are in is weeding out a lot of the bad brokers, lenders, etc. Those of us that are left are by and large the honest people that make an honest living by treating consumers well and providing them with a valuable service. Did you know that most brokers provide the consumer with an overall lower total cost mortgage compared with a bank? Also for a bank, a wholesale loan will cost less money to originate and close than if the bank does it on their retail side.

We are the only industry that I know of that work on a wholesale basis and have to disclose to the consumer how much money we are making. We disclose on the Good Faith Estimate, the Mortgage Brokerage Business Contract, the Mortgage Loan Origination Agreement, and the HUD-1 settlement statement that we earn money by selling the loan to a wholesale lender at a profit (YSP) and how much we are making. Wholesale Rates + Markup = Retail Rates. This is no different from going to the grocery store and paying \$1.50 for a soda that the store paid .50 cents for.

I hope this information was useful.

Thank you.

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