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Comments:

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We all want protection for consumers and clarification throughout the entire lending process in regards to home secured debt, thusly the Reg Z. Clarification for the consumers cannot be determined by broad stroke assumptions about yield spread compensation. I have been able to help save people's homes from going into foreclosure by having the ability to capture yield spread compensation to pay for their closing costs which would have otherwise not been possible for my clients to pay and thusly not get better financing that they so needed and deserved to get. With proper disclosure of the "slightly" higher rate to cover the closing costs, there was no confusion for my clients. They were completely aware and extremely appreciative of their opportunity. This is just one way yield spread compensation, when properly disclosed, is not only beneficial to consumers but essential. To eliminate this opportunity for consumers will only cripple our country further. I agree with clarification. I agree with full disclosure. Like previous other good ideas to protect the consumers, i.e. HVCC, the process and implementation of these ideas needs to be very carefully thought through thoroughly. If we don't think of the long term ramifications we may cause our country to slip back into another recession. There are too many ideas that have good intentions, but just not being implemented properly. Don't let the misunderstanding of yield spread compensation fall victim to this same fate. If wanting the clients to get better rates is truly a concern for eliminating yield spread compensation, then let's really look at where consumers can get the lowest rates consistently. It's through third party originators. Wholesale broker's rates are consistently lower then retail bank rates. As a matter of fact, a consumer can get a rate of 5.0% which yield spread compensation will pay for closing costs at a wholesale broker whereas they would get a 5.25% rate at a bank and had to pay more for it. How is this protecting the consumer? The reality is

that we live in a country where freedom of choice is our foundation. Consumers need to have choices. By eliminating yield spread compensation, we eliminate choices and opportunities for consumers. Think through this very carefully before putting ink to paper creating a bill that could potentially cripple our country further. Requiring full disclosure of course, yield spread compensation must remain an option for consumers.