

From: First American Abstract of PA, Rich Weeber
Subject: Reg Z - Truth in Lending

Comments:

Ms. Kathleen C. Ryan,

Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.,
Washington, D.C. 20551

Dear Ms. Ryan:

I am a licensed title insurance agent doing business in the Commonwealth of PA, and am about to enter my 30th year in the business. Needless to say I have seen many changes in the settlement procedures practices over that time. One of the best things to happen during those years has been the introduction of mortgage brokerage to the industry. The vast majority of brokers are skilled professionals who work hard to educate their consumers, shop for the best products and pricing to match their customer's needs, and thereby create tremendous value to their customers and the real estate industry as a whole.

It is now my understanding that the entire mortgage brokerage business is possibly nearing an end due to legislative and/or regulatory actions that will limit broker compensation. If 18 senators have their way and the yield spread premium is eliminated, understand that this will NOT be a good thing for the mortgage consuming public. The yield spread premium IS the broker's earnings and profits. Without broker's ability to collect these premiums, they will have no choice but to close their doors, which will lead to reduced competition. As anyone who deals in the real world of business knows, reduced competition can only result in higher costs to the consumer. It is time for regulators and legislators to begin to understand that concept.

There are certainly some mortgage brokers who have taken advantage of consumers over the years. However, those brokers are limited in number. Certainly there are enough laws, rules and regulations currently in place that would enable the proper authorities to enforce those brokers who take advantage of consumers. Punishing the 99% of brokers who provide valuable services is NOT an acceptable alternative.

Please do not punish mortgage brokers and consumers alike. Please do not eliminate the yield spread premium.

Sincerely,

Richard C. Weeber
First American Abstract of PA