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Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Comments:

The proposed elimination of YSP would hurt the mortgage industry not help. I have been in the mortgage business for 11 years and I believe that if you go to a flat fee, you would be encouraging originators to steer loans to lenders with a higher flat fee. This would hurt the consumer not help. Many banks may choose to cease participating in third party originations due to skyrocketing liability. Bad originators would continue to work the system while good originators would be driven away. Brokers will not be able to compensate loan originators on a hourly basis without some certainty of being paid. Tracking hours spent on each loan would be impossible. Also, this could hurt the consumer who happens to select a slow originator or originators will slow down the process in order to be paid more. Again, the bad originators would work the system which would not benefit the consumer. I believe this proposal will stifle competition and eventually lead to a monopoly. I believe that this proposal would also create an environment with too many adverse and unfavorable effects on an industry that is already struggling. It would prevent the secondary market from returning to normalcy. Please re-consider the ramifications of this proposal on the consumer.