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Subject: Reg Z - Truth in Lending

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Comments:

This proposed rule seems to be supported by the large banks b/c this help reduce competitive shopping as well as full disclosure allowing rates to raise not knowing what base rates are (PAR-RATE).

If this rule is passed banks will raise rates earning more on interest without consumer consent due to the fact that we eliminate YSP, which helps retain lower rates due to competitiveness. Not knowing what rates are producing in YSP will allow Banks to raise rates blinding the consumer and the Loan Originator as to what base rate is (PAR-RATE).

While large banks and corresponding banks are not required to disclose SRP (SAME AS YSP, funds earned by higher rates) this rule will hide costs to the consumer as well as un-educate the industry on base rates. Many large banks and correspondent banks say "SRP" is GREAT b/c they don't have to disclose YSP, they are the same in one.

This will also require mortgages, purchases and refinancing, to pass the buck to the consumer as YSP will no longer be able to cover a portion or all of the borrowers costs by simply raising the rate at the borrowers approval. Why would a consumer take a higher rate to cover costs you may ask, b/c the value of their home is so low they would be required to bring funds to the table just to maintain a healthy loan to value, LTV position b/c Mortgage Insurance Companies deny coverage! With out YSP we cut out the option to cover costs we don't have a choice over like, TITLE, APPRAISAL, LENDER REQUIRED ESCROW, TAX STAMPS..., and now borrowers need more funds out of pocket to close. If they don't have the funds they can't buy and if they are refinancing they will be stuck with their current issues and could face foreclosure ultimately passing the issue to the government looking for help/bail-out.

Simply due to a rule passed that cut out options.

Borrowers can easily learn what YSP is, they have the option to understand it, fight it, shop it, and turn it down if they don't want it. Full disclosure and education to the borrower is what we need to keep pushing. NOT simplifying the process by eliminating options, plus if we position this rule at a vote to the public and ask, "What would you rather have, higher costs or a higher rate to cover costs?" I am sure the vote would be 50/50, some want lest interest over time and others want less out of pocket at close b/c the have NO LIQUIDITY!

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