

From: Referral Mortgage, Ltd, Lori Williams
Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Name: Lori Williams
Affiliation: Referral Mortgage, Ltd
Category of Affiliation: Other
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

Consumer financing options are imperative to a healthy housing industry! We are Referral Mortgage, a small Cincinnati based mortgage broker who offers quality service to every customer. We are mortgage professionals and work hard to provide competitive loan products with low interest rates. Our business is strictly referral based (for 12 years now) and has survived these times only because our customers are pleased with their financing results and refer us to their friends and family. Mortgage Brokers are a valuable resource for many borrowers in securing a mortgage to meet their unique financial needs. Whether a first time home buyer or a high net worth borrower, Mortgage Brokers offer services to the consumers that go beyond what the standard lending industry does. The Mortgage Broker is NOT the problem nor is the current pay structure. Our yield spread premium (YSP) allows the consumer the benefit of financial options. Taking away the Mortgage Broker's YSP will negatively affect consumers and could place many in worse financial stress than they currently are facing. At Referral Mortgage, we offer quality service and financing options for ever kind of consumer. Our compensation is a means to meet our customer's financial goals and eliminating this tool from our business could put us out of business. Our yield spread premium compensation allows us:

- 1) The ability to remove some or all consumer closing costs. In some cases this is the only way that consumers are able to buy their dream home. In other cases, it offers consumers the ability to finance costs that they decide they don't want to pay out of pocket.it is their choice and it allows them to meet their financial goals.
- 2) The YSP is not the cause of negative loan terms.it offers the consumer's choices. There are already countless disclosures already imposed on our industry to alert the consumer of their terms, rights and potential risks associated with financing. As a Mortgage Broker the YSP is fully disclosed to the consumer (upfront) .banks cannot say that.
- 3) The Mortgage Broker industry has suffered greatly these past years. Staying in compliance today and keeping up with all of the new legalities is costly and

has placed a huge time restraint and financial burdened on our company. The cost to do business has increased dramatically and further economic restraints placed on our company could cause its demise. The proposed modifications to our industry's YSP pay structure will limit our ability to service our customers and will ultimately jeopardize our jobs. We ask that you not impose the YSP limitations on our industry. The YSP limitations proposed will create a banking monopoly, limiting consumers financing options. It will potentially end the ability for the Mortgage Broker to survive causing more unemployment and financial burden to our county. We are an important and quality resource for consumer financing. Please help us serve the best interest of our customers by providing them with the financing options they need and deserve. Please do not change our means of compensation that is currently in place. Thank you for listening. Sincerely, Referral Mortgage Ltd. Lori Williams Judy Burnette Denise Scheineson