

From: Mark Smith  
Subject: Reg Z - Truth in Lending

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Comments:

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Comments:

I urge you to reconsider the elimination of YSP. Broker and lender compensation and how it can be effected by loan terms must be properly disclosed and limited and the recent implementation of RESPA will help this by making broker compensation explicit. However taking away YSP will limit a borrower's choice and eliminate the option of no cost financing where the broker uses the YSP to pay for the borrowers closing costs. It will play into the hands of the large banks and eliminate the many hardworking and honest small brokerages who have been able to provide the personal care and service to their clients that large banks will never achieve. I agree that increasing YSP that ends up in the broker's pocket based on terms such as negative amortization, prepay and increased margin should be outlawed but a blanket ban based on rate preventing the borrower to make informed choices between lower and higher cost loans will be harmful to consumer choice.