

From: Dan Freshley
Subject: Reg Z - Truth in Lending

Comments:

Federal Reserve Board of Governors

Ladies and Gentlemen,

I wanted to take the time to write and express the opinion of a mortgage professional on the proposal for Bill # R-1366 which will adversely effect not only industry professional but also the consumers that benefit from healthy competition every day. We, the dedicated and committed professionals that have survived the contraction of both the Mortgage and Housing Industry since mid 2007 have seen the difficulties of additional Government intervention into regulatory changes that are, at the very least, intended to help consumers and are yielding hideous results. The Home Value Code of Conduct (HVCC) comes to mind as well as the new, 2010 edition of the Good Faith Estimate that turns a fully compliant 1 page document into a 3 page edition of total confusion for the consumers it is intended to assist.

Direct compensation to mortgage professionals has been an aggressive method for which thousands of home owners annually have and will continue to benefit from.

I personally have passed on these earnings in the form of No Closing Costs mortgages to hundreds of clients that have either returned to me for additional financial products or referred me and my firm to family, friends and co-workers as a result of their appreciation of the type of creative and cost competitive loan structuring available to them. As a result of the current compensation available to the industry, I have been able to save homeowners THOUSANDS of dollars in fees they would otherwise be forced to pay, resulting increased overall costs of their mortgages.

Ultimately, the reduction or elimination of Yield Spread Premiums (YSP) will again cost the very parties these proposed bills are intended to help, homeowners and consumers.

In an effort to be completely candid and forthright, this bill has no effect on my livelihood or earnings since my employer is a Correspondent Lender and YSP is not an issue in our segment of the industry. At the same time, I have spent over 8 years as a broker and utilized YSP as a critical portion of my clients financial needs and feel strongly the there is and will always be a place for Brokers as a conduit to reduced costs to consumers in the mortgage shopping process.

Respectfully Yours,