

From: Sunset Mortgage Co., Bryce C Elder  
Subject: Reg Z - Truth in Lending

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Comments:

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

Fellow American, I just read the news about the proposed changes to the lending industry which include the elimination of Yield Spread Premiums. If this plan were implemented, it would hurt both lenders AND consumers, as it would remove options for borrowers which would keep them from paying large sums of money out of their own pockets. I can't tell you how many times I've had clients ask for "no closing cost" loans, knowing full well they'd be paying a higher interest rate for it. The point is that not all homeowners, or prospective homeowners have treasure troves full of money over and above what they often need for their down payment, so as to pay their closing costs. For some, it makes doing a refinance all but prohibitive. Yield spread premiums are a VITAL tool to our industry, and if they disappear, you may well see the further implosion of the real estate industry, which is COMPLETELY counterintuitive with regard to where we are as a nation right now. Bottom line, if this passes, out of pocket lending costs will go up for EVERYONE. Ask yourself if that's a good idea right now. Thank you for your consideration, Bryce C. Elder