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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:

I am a mortgage broker who always puts my borrower first. Yield Spread Premium gives me the opportunity to pay a portion or all my clients closing costs. When there is an extra charge such as a lock extension, I usually pick up this charge so that the borrower gets exactly what they expect. A YSP credit to the borrower also allows a "tight" transaction to go through where there is not sufficient loan to value to "roll" them into the loan. In the event that a borrower is credited for all non-recurring closing costs, borrowers can easily see the benefit of a loan simply lowers the rate. Bottom line: the elimination of YSP will make both purchases and refinances harder for the borrower resulting in less transactions.

Larry Martinez