From: Kevin C Mauzy

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:
Dear Whom It May Concern, I don't feel that the USA has ever limited anyone that's a hard working person on how much they can earn in an industry(not the companies that run them selves into the ground - they should of been monitered better before, stopp bailing the problems out, they wont learn unless it's painful - most of us are responsible caring people). Why should LO's be singled out, 99% are good, 1% may not be, like any career field, no different? I'm tired of paying the price for other people. Let the NMLS licensing system filter out the rift raft in Banking and dont punish borrowers or good LO's that have 20+ years in the business. Many years ago VA use to have a published rate for all VA Mortgage (the YSP was not available) forcing all borrowers to pay more for their loans not providing the option like today to get a rate with no lender costs and now lower rates then before! Sometimes mortgage borrowers can even receive a lender credit towards their closing costs because or the YSP. If someone is selling their property or moving in less than 2 or 5 years, why should they be penalized and NOT be allowed to choose one of these great options saving them thousands. A good LO will treat their clients the way they want to be treated for referrals, otherwise go out of business because no one will referr to them. How can we get referrals when closing costs increase, and everyone agrees, consumers like no cost or even lender credits towards closing when possible with the YSP. All of this is only available due to the YSP and good LO's. The severe increase in licensing fees to LO's in each of the states under the NMLS licensing system IS eliminating a lot of LO's now! Is the next step to limit Real estate agents pay, claiming they could recommend buyers into bigger homes to make their commissions more (dont think that it's not plausable), so lets cut their pay to a flat fee and not on the price of the home. Or, Car salesmen, insurance agents, or any other sales force could be next. Regulate the companies and support the current inexpensive loan offers lender can now offer with YSP's. Dont treat all LO's the same, this is not

Russia, or a third world country, the USA can regulate without destroying the free enterprise this country has been founded on. Let the NMLS do the job it was intended, the de-regulation in the 1990's due to the community re-investment act that was pushed and forced onto banks under President Clinton's administration and carried through to President Bush, started this problem with other things adding on the way. Its way after the damage, lending has tightened a lot, defaults are still high, and rates are going to have to rise, inflation is coming, employment will continue to be a problem, be careful by passing earnings limits when good solid citizens will be effected adversly due to this. All of the tightening up to today should have been done years ago before the major collateral damage, dont make more damage!  Dont eliminate the YSP.  A. IT WILL MAKE THE COST OF LOANS MORE FOR BORROWERS.  B. No cost loans would be nearly impossible.  C. Borrower closing costs would be dramatically higher, eliminates rate/price flexibility, more opportunity for secondary marketing to increase profits. D. Many first-time buyers would have increased difficulty purchasing or be eliminated due to higher closing costs. E. Mortgage brokers and the opportunity for competition would be eliminated. F. YSP does not present a significant risk of economic injury to consumers but rather helps low-income, entry-level borrowers. The assumption that YSP is injurious to consumers has no empirical data to support such claims. 2. Borrower pays up-front points OR lender pays flat fee to originator. A. Reduces options for consumer to choose pricing options. Borrowers are injured by lack of pricing flexibility. 3. Borrowers with small loans would have dificulty getting financing. A. Closing costs to borrowers for small loans would be so high, lenders would be discouraged from lending.  B. Small loan amounts would most likely be eligible for up-front origination points options only. C. Low income borrowers who can only qualify for small loans would be priced out of the market or severely penalized by high costs. 4. The proposal will stifle competition. A. The proposal creates conditions that would encourage steering. B. Enforcement of existing anti-steering regulations would be difficult or impossible to enforce. C. The proposal creates an environment for less originations. D. Many brokers/loan originators will cease lending as result of skyrocketing liability. E. Many banks/mortgage banks will choose to cease participating in third party originations. F. The proposal does not allow loan originators to reduce his/her compensation, to benefit hard-pressed borrowers. G. The proposal will damage small business.  5. The proposal is not feasible or practical in today's market place.  A. As market conditios change, the spread between par and "flat fee" pricing increases, causing borrowers to be forced out of flat fee option (rate too high) or pay high up-front fees. B. Creates environment with too many adverse and unfavorable effects on the industry. It would prevent secondary market from returning to normalcy. C. Elimination of competition would eventually lead to monopoly. D. Brokers will not be able to compensate loan originators on a hourly basis without some certainty of being paid. Tracking hours spent on each loan would be impossible and impractical. Also would hurt consumers who happen to select a slow originator. Mark my words costs will increase, life has taught me that. Have people accountable and they will tough on themselves as long as they dont get bailed out, there is no incentive to be good if they get bailed out! Thanks for this time. I'm like anyone that wants what is fair, reward the good, punish the bad.  Sincerly yours, Kevin Mauzy