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Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Docket No. R-1366 I am writing today, as a concerned citizen and a concerned mortgage professional. I realize you have a commitment to protect the people of the United States and I commend you for this; however, by taking away yield spread premiums, you will be hurting the very people you are wanting to protect. You will be taking away the ability to obtain no cost loans and here in Texas, a home equity loan of a smaller amount below \$150K will not occur, because of our 3% rule for closing costs. Small loans need the YSP to absorb the closing costs and those costs are not the mortgage brokers, but standard fees that everyone pays. I do believe that many of the bad apples are gone from the business and with the new National Licensing requirements; many others will also be forced to leave the business all together. Unfortunately, many will most likely end up on the banking side. I think by trying to fix the problem, you are actually hurting the consumers you are trying to protect. You will be creating a monopoly within the 5 banks, as you are literally giving them all the power and taking away any chance of free enterprise. I assure you, the cost to do a loan will increase significantly, because only banks will be able to provide loans. They have the money and they get to make the rules. You will see very poor customer service, high fees and high rates. We as taxpayers will not only pay for the bailout, but we will now watch the bank's get wealthier and become more of a monopoly more than ever. The citizen's you are trying to protect will not be thanking you in the end. As a single mother who has worked very diligently to build a business based on integrity and honesty, this will eliminate my business and my job, as well as others who work for my company. I have built my business by referral and am very proud that I can say that I would put my name to any loan that I have originated. My only advertising is by my past customers and referral partners. I would not have customers who have completed multiple transactions with me if I did not provide honest and truthful lending. These very customers have used YSP to offset fees

and closing costs for their loans. Many of them would not be in a home today if they were not able to use YSP to offset their costs. My business plan has served me well, as I stand by the golden rule to treat others as you would have them treat you. I do believe there are many of my professional mortgage brokers that work the same as me. The banks will get richer, pay the employees less and have total dominance of the mortgage origination world. There will be no choices left. The government is willing to throw billions of dollars to try to get the economy going, but this will only continue to cause demise to hundreds of thousands of people. Please don't make a bad situation worse by doing away with YSP. Please take a moment and think how your actions today on this proposal can affect so many people in the future. This proposal is a wolf dressed in lambs clothing. I know each and everyone of you want to do the right thing for the American people, but this is not the right thing. Please consider and do not take yield spread premium away from the broker community. We really do make it an even playing field for the consumer against the big banks by keeping costs down and giving good rates to consumers. You really should be looking to the greed on Wall Street for the debacle of our industry and not the small mortgage business owner. Thank you for reading my comments and I truly urge you to not destroy what our country was founded on. Freedom of choice. Thank you, Nan Kirkpatrick