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Comments:

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Comments:

The proposal to prevent mortgage loan originators from "steering" consumers to more expensive loans seems to be geared more towards eliminating competition for the too big too fail banks you insist on propping up at my expense, than assisting consumers. I'm not sure which more expensive loan product you think I'm going to steer a borrower to, since at this point the entire mortgage market is FNMA, FHLMC, FHA, VA, and USDA. Perhaps someone at the Fed would care to enlighten me as to which of those products I should avoid "steering" my clients towards. Once the new RESPA rules go into effect on 1/1/2010 Mortgage Brokers like myself will be forced to charge our fees up front and credit all of the YSP we receive to those fees. Not a huge change for me since I have operated that way for years, but to now eliminate the YSP entirely will basically be yet another crime perpetrated on Main Street small businessmen like myself to benefit fat cat Wall Street bankers by this Federal Reserve Board. Earlier I was working on a refinance for a client. 4.25% on a 15-yr fixed rate mortgage with NO closing costs. The best his bank could do on a no closing cost loan was 4.5%, meaning they are making upwards of \$2,500.00 more than I am on his loan. The only way I can do a no closing cost loan for a client is if I receive YSP from the lender so that I can pay the closing costs. This rule would force me to offer this client 4.0% with \$5,400 in closing costs instead. He isn't interested in paying closing costs to refinance, and has run the numbers to determine that paying them upfront instead of taking a higher rate doesn't make sense, so he would be forced to take the 4.5% from his bank instead of getting a less expensive loan from me. In the name of protecting the consumer, you will be costing this particular consumer \$6,065 extra, so his bank can pocket an extra \$2,500 in SRP when they turn around and sell his loan immediately, and costing me the \$1950.00 flat fee I charge. The only entities benefiting from this rule are the banks that will still be able to offer a no closing cost option, albeit a much more expensive one. If you wonder why so many Americans are really angry with the Federal Reserve Board and Federal Government right now, look no further than asinine rules like this proposal that purport to protect consumers when they really

protect big banks at the expense of everybody else.