

From: Affinity Financial, Donnella Fairshter
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Comments:

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Name: Donnella M Fairshter

Affiliation: Affinity Financial

Category of Affiliation: Commercial

Address:

City:

State:

Country:

Zip:

PostalCode:

Comments:

December 21, 2009 the elimination of YSP in favor of a flat fee for compensation to mortgage loan originators is NOT a benefit to the consumer. I have been a mortgage originator for 25 years. When I started in 1984, everyone paid two points as the norm. YSP was not used as a way to reduce buyers closing costs. Later, lenders introduced the YSP option and closing costs were substantially reduced. Now, people rarely pay any points. Instead, YSP is used to offset up front costs of the loan. In addition, many purchases and almost all of my refinances are done as "no points/no fees". That entails choosing a slightly higher rate causing an increase in YSP and using the additional to pay all origination costs including lender fees, appraisal, escrow, title, recording, processing and other incidentals. This can amount to \$4000 to \$6000 depending on the size of the loan. The Mortgage Broker commission is also included in the YSP. By eliminating YSP, borrowers will have fewer options and costs will increase to the consumer by several thousand dollars. The only possible benefactor may be the bank who retains control over the pricing and reaps the rewards on the secondary market. The constant emphasis seems to be the attempt to eliminate the mortgage broker from the transaction. However, Mortgage Brokers have been instrumental in the steady increase in home ownership. In addition, the banks are not equipped to handle the volume in an effective manner if mortgage brokers are forced out of the business. This will result in a substantial increase in cost to the consumer and the elimination of options to address individual needs. The entry level/lower end buyers will be hurt the most. They typically have very limited funds but need to keep their payments under control as well. Options mean the difference between a successful purchase and inability to put a transaction together. Most of the banks will not even bother with the first time home buyer programs which entail substantial additional work with no increase in income. Mortgage brokers put these deals together all the time - our contribution to the entry level buying community - a true labor of love. I will grant you there have been unscrupulous mortgage brokers over the years. This is true of any profession, including ours. I think it is a wiser approach

to address the few unscrupulous people specifically rather than sweeping changes that will hamper the very consumer you strive to protect. The system is not broken - it only needs fine tuning. Please reflect on the fact that mortgage brokers did not develop the loan programs that contributed to the mortgage meltdown. They sold the programs that your member banks developed and emphasized. While I personally did not sell the adjustable loans, please note that many buyers came in requesting the low payment to get into the higher priced homes. I often had to talk them out of it to get them into more realistic programs.

Mortgage brokers bring a large amount of counselling, servicing and gold old fashioned hand holding to escort a buyer through the mortgage process. This includes service from 7:00 a.m. to 9:00 or 10:00 p.m. as the client needs. Mortgage bankers go home at 5:00. I urge you to consider the impact on the consumer when you implement changes that make it impossible for the mortgage broker to continue in this business and provide the options and service the buyers require. Forcing the mortgage broker out of the business will reduce competition and, in our capitalist system, competition works to the benefit of the consumer. Because we are resourceful, mortgage brokers have found a way to work with all the new requirements of the past two years. However, loans take even longer and more work and expertise to put together today. To reduce the income and increase the commitment required to complete the loan creates a hostile environment for all. There truly is expense and a lot of time required to close a loan. I URGE YOU TO RETAIN YSP AS A VIABLE PART OF THE PRICING ON A LOAN AND LET THE CONSUMER DECIDE HOW HE WANTS TO STRUCTURE HIS TRANSACTION.

THE CONSUMER IS VERY SAVVY TODAY. HE IS NOT STUPID. HE CAN MAKE WISE CHOICES FOR HIMSELF. PLEASE DO NOT MAKE THE CHOICES FOR THE CONSUMER AND LEAVE HIM WITH NO OPTIONS. Thank you for your consideration. Donnella Fairshier