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Subject: Reg Z - Truth in Lending

Comments:

Date: Dec 15, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
Document ID: R-1366
Document Version: 1
Release Date: 07/23/2009
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Comments:

I humbly ask that you reconsider your position for the elimination of Yield Spread Premiums. I am a Mortgage Broker that lives in Arkansas and without the positive utilization of Yield Spread Premiums to cover the ever increasing cost of home loans, you will essential cease the ability for hard working and honest citizens to afford their dream of owning a home. Presently, the majority of potential homeowners in Arkansas are first time homebuyers seeking an FHA home loan with little more than their 3.5% down payment available at the time of closing. Additionally, of these buyers a vast majority are purchasing foreclosed and repossessed properties which are bank owned. This in itself creates a major dilemma, with no end in sight. As banks real from the already devastating cost of taking back a home, they are inevitably not wanting to extend a helping hand to any potential buyer by negotiating seller paid concessions or closing costs. Therefore, if the positive use of the Yield Spread Premium as a source to cover closing costs is eliminated, then the ability to bridge the gap between the buyers' lack of available funds and the lack of any paid seller concessions will force the market to revert to its previous standstill and deplete the market of a vital component for full economic recovery. Please remember, the majority of remaining Mortgage Brokers are honest and hard working citizens that have looked out for the best interest of their customers and been a positive influence on the housing market which is simply evidenced by our current existence in this ravished economy. Additionally, to target one sector of such a vast industry as the housing market by placing the burden of the demise on Mortgage Brokers and not on Mortgage Bankers by ignoring Service Release Premiums is reckless and irresponsible. Therefore, please reconsider your crusade to abolish the Yield Spread Premium and understand that your actions will not only directly hinder the housing market, but will also eliminate a key component of the mortgage industry and small business.