

From: Nicholas Ballard  
Subject: Reg Z - Truth in Lending

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Comments:

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Comments:

As a mortgage professional, I understand the need to protect consumers from bad lending practices. Unfortunately, it is my opinion that the proposed regulation to remove Yield Spread Premiums will have a negative impact on consumers by limiting their options and ability to secure a competitive mortgage. The existence of retail and wholesale pricing is acknowledgment of the value my services bring both consumers and lending institutions. I direct considerable expertise and 20 to 30 hours of work to process, place, and work a client's loan through funding -time and effort that reduces costs for the selected bank and at no upfront cost for my clients. YSP allows my clients the option of paying points to buy their rate down to or below wholesale pricing, to absorb their closing costs for a no cost loan, or to compensate me for my work and receive the same rate or better than if they had gone to the same bank direct. It is also my opinion that banks are pushing for this measure to go through less out of desire to drive mortgage brokers out of business (an economically sound source of qualified loans) than as a means of limiting competition. Without the professional services of a mortgage broker, consumers will be less able to find the best lender, rate, and product for their needs and will be largely relegated to the few major banks dominating the landscape. Properly positioning a loan and navigating the many complications inherent to the process requires time and knowledge. Few consumers are able to match the services I provide and limiting their options and the competition between banks that mortgage brokers facilitate will ultimately increase costs. Yield Spread Premiums foster competition within the mortgage market and reduce costs of lending institutions -costs that will otherwise be transferred to consumer. I urge you to preserve Yield Spread Premiums and competitive options for consumers. Sincerely, Nicholas Ballard