

From: Tessie Ochoa  
Subject: Reg Z - Truth in Lending

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Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages  
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Name: Tessie Ochoa  
Affiliation:  
Category of Affiliation: Other  
Address:  
City:  
State:  
Country: UNITED STATES  
Zip:  
PostalCode:

Comments:

I have been in the mortgage business for over 25 years, the few of us who are still in the business are passionate of our profession. Not only the savings to the consumers, our client express their satisfaction of the service we provide, and most important to them is you are available when they needed help. The new proposal will harm consumers by eliminating competition and eliminating efficient channel for consumers to obtain mortgage financing. Brokers will not be able to compensate loan originators on a hourly basis without some certainty of being paid. Tracking hours spent on each loan would be impossible and impractical. Also would hurt consumers who happen to select a slow originator. The proposal is not feasible or practical in today's market place. As market conditions change, the spread between par and "flat fee" pricing increases, causing borrowers to be forced out of flat fee option (rate too high) or pay high up-front fees. YSP does not present a significant risk of economic injury to consumers but rather helps low-income, entry-level borrowers. The assumption that YSP is injurious to consumers has no empirical data to support such claims. Borrower closing costs would be dramatically higher, eliminates rate/price flexibility, more opportunity for secondary marketing to increase profits. By eliminating competition will encourage monopoly.