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Subject: Reg Z - Truth in Lending

Comments:

Date: Dec 16, 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:

Good Day, I have been a mortgage broker for 22 years and am writing to request you do not eliminate the Yield Spread premium to brokers. There are many of us who make an honest living by either charging 1 point to borrower up front with no or minimal yield spread premium or, receiving 1 to 1.25% yield spread premium from the bank to facilitate loans to borrowers who cannot afford or do not want to pay for any loan points/origination. It is an important options for the public to have as many people will not own their properties for five years or more and by paying points they will not be able to recognize the savings in rate and interest by paying points. By eliminating the YSP it will ultimately cost the consumer more money as all parties will be required to pay points and will end up losing money if they pay off the loan within 5 years. The other risk involved that if mortgage brokers are eliminated, all of the loans will go through banks who are customarily more expensive than brokers on their rates and terms. Please do not remove yield spread premiums from mortgage loan pricing.