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Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Comments:

I am writing to oppose the Reg z Truth in lending R-1366. I have been a mortgage broker with an excellent record for over 18 years. My clientele base has been very happy with my service, my integrity and my competitive pricing. So much so that most of my business is based on referrals. In 99.9% of all cases, my pricing that I secure for them is LOWER than they can get at the Banks or Mortgage Lenders directly. I am able to secure this pricing because I work with the yield spread premium to offset their costs and pay for my fees, I make less than the banks do and the borrower comes out ahead. All of this is made possible because of the ability to work with the yield spread premium. R-1366 would stand in the way of my customers, the consumers, getting the benefit of my pricing, programs and services as it would halt competition in the market place and eliminate the yield spread premium, meaning they would no longer be able to have the no cost option financing and would have to pay MORE FOR LESS. There is no supporting data to prove that yield spread premiums being paid to the Broker causes harm to the consumer, on the contrary, the opposite holds true. There is ample supporting data to prove that paying a ysp premium BENEFITS the consumer. This is the equivalent of requiring that all travel agents no longer be paid from the airlines on their bookings, meaning they would no longer receive discounted pricing from them on the back end THUS ELIMINATING THE TRAVEL AGENT AS COMPETITION. Low or no competition means higher pricing for the consumer, now THAT has been proven over and over again in every capacity whatsoever. Furthermore, a borrower with a low loan amount will be penalized with the flat fee and this is not fair to them. In such a volatile time with our economy, Government trying to stimulate growth, unemployment at record breaking numbers, by passing this bill you would essentially be accomplishing just the opposite of what we need to do in this country to get back on our feet again. A) put all mortgage brokers out of business, thus increasing unemployment, foreclosures etc B) reducing

refinance and purchase volume dramatically due to borrower having to come up with even more of a down payment and/or cash to close to cover closing costs
C) dramatically reducing refinance business as 99% of consumers want the no cost option and will not refinance otherwise d) paying for points/closing costs in a time within our country when people are low on cash, living from pay check to pay check is self defeating. This bill , if passed, will increase unemployment, increase foreclosures, eliminate competition, increase costs/rates to consumers as a result, penalize those with lower loan balances and put many hard working, professional, honest people, like myself, out of work and out of a career that I have been in for nearly all of my adult life. I ask , isn't this going in the opposite direction of what our administration is trying to achieve? I am available to speak with you directly should you desire to do so. I can be reached at xxx-xxx-xxxx In closing, for all of the reasons above, I stand AGAINST REG Z R-1366. Respectfully yours, Karen Addato