

From: AmerAssist Realty Financial Services, Rhett Hubbard
Subject: Reg Z - Truth in Lending

Comments:

Date: Dec 21, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
Document ID: R-1366
Document Version: 1
Release Date: 07/23/2009
Name: Rhett Hubbard
Affiliation: AmerAssist Realty Financial Services
Category of Affiliation: Other
Address:

City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

The proposed changes to Reg Z will be the single most absurd change that will shift a monopoly to the commercial banking community for ALL 1-4 unit mortgage loans. This change is uncalled for and shows how foolish the Federal Reserve, FDIC, OTS, and OCC can be. Not only will this give commercial banks more powers, but will wipe out an industry of 350,000 jobs. Going to a flat fee or hourly bases for compensation would require the Federal Reserve to set-up employee standards and payroll tables or shift that burden to FHA/HUD which they cannot handle. The mortgage originator earns a very small portion of the yield spread premium and for a large portion of the YSP helps keep small businesses in operation. It is not what you think or what the media spreads that the YSP is the evil to the mortgage lending processes. The elimination of the yield spread premium for compensation would also allow commercial banks to fix rates at higher levels, wipe out free selection, and take away the free market, plus throw our mortgage origination system back to 1950 standards. If any changes are to be made it should be to a certain level or maximum percentage-compensation an originator is allowed. The yield spread premium is also used to reduce borrower cost by applying all or a portion of the yield spread premium to the borrowers closing cost and that will be eliminated from your proposal. There has not been any thought into this change only reaction to a small population of Wall Street bankers, commercial bankers, congress people, and uneducated government official on how the mortgage industry really works. Rhett Hubbard President AmeriAssist Realty Financial Services