

From: Mortgage Center Corp, Jeff E Law
Subject: Reg Z - Truth in Lending

Comments:

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Name: Jeff E Law
Affiliation: Mortgage Center Corp
Category of Affiliation:
Address:

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

Comments:

I have been in the mortgage brokerage business for over 25 years. We have developed a lot of repeat clients over the years, since they feel they are getting a combination of good service and rate. I applaud your efforts to clean up the mortgage mess, and hopefully rid the bad characters permanently. Unfortunately, your proposal has gone too far towards the left. The current system of compensation has worked for over 20 years, with the exception of the time period where lenders were offering brokers huge rebates without limitations. Those lenders are long gone never to be seen again in our lifetime, and the brokerage industry has naturally cleaned itself up of the bad characters. My suggestion to prevent a repeat would be to limit the compensation (net) by way of the lenders, i.e. maximum of 2% combined origination & yield spread premium, with a base amount of \$1500.00 to compensate for smaller loans. For years some lenders already had in effect a policy's of maximum compensation, but that number, which was around 4% was too high. Keep it simple and you will accomplish the goal you set out to do which is to prevent the consumer from being gouged by a few shady brokers without the unintended consequences of affecting millions of innocent borrowers of the pricing that the lenders offer through their broker channel. Thank you for reading and considering my comments. Jeff Law