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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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Comments:

I run a very small office and have a credit background. I came to the mortgage industry a conservative person. I always hunt for the best rate for my clients and have forgone compensation myself if need be. The consumer is adverse to paying more upfront fees and it is very hard to me to sell the consumer on a rate where they have to pay points. It just gets too expensive. For example, I just did 2 loans - on one, I received YSP of \$xxx but gave back to the client at closing (on HUD-1) a broker credit for \$xxx leaving my office with \$xxxxx On another deal, the lender had to relock the loan worst case pricing - my commission went from \$xxxx (part of that was going back to the client) to \$xxxxxx which all went back to the borrower. I am very concerned with the amount of regulation we are seeing. If the regulation passes, so many small businesses could be affected and small business is the heart of this great country of ours. Yield spread premium is also given back in part to the client to help the client with closing costs. It is all disclosed and it's usually help the client needs. Bank and mortgage brokers are not on a level playing field. If you went into Bank of America in my city, a 30 year fixed with 20% down with great credit would be 5.50% with 1 point. My office could do that same loan for 4.875% today with no points. The consumer will not have as many choices and as a consumer oriented person, the lack of choice will hurt the consumer and ultimately, the consumer will pay a higher rate of interest. Bank of America, in the above case, is not disclosing what their loan officer is really making on the deal. Is that fair? No. The mortgage broker is able to shop rates through many channels and offer the client more alternatives. I'm all for full disclosure, no problem there at all. I am a fan of National Licensing/Registry - about time. Get those in banks also. Make it fair. Not one person or profession created the housing mess we have today. From realtors to appraisers to brokers/bank loan officers to underwriting standards to who-can-we-get-to buy-a-home?-to secondary to Wall Street to CDO's - well, looking back, it was a perfect storm. No one forced the banks to create these programs and ultimately, their underwriters should hold some responsibility there. By making it harder for mortgage brokers, this bill would limit consumer choice, consumers would pay more because of limited choice, and the spirit of

entrepreneurship would be severely damaged. Please give the little guys a break  
- there are some real honest ones out there who care about the consumer and  
doing what is right.