From: Clayton Young

Subject: Reg Z - Truth in Lending

Comments:

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Comments:
I'm a proponent of competition in the residential loan industry. We've seen a collapse of the mortgage industry with consumers having less choices. The large national banks (Citi, BofA, Wells Fargo, Chase) are enjoying unprecented consolidation in the mortgage industry. Overall the long term the consumer and tax payer will pay the price if the largest banks are allowed to dominate lending. I've been in the finance industry for approx. 22 years. I've worked at a small thrift and large, national banks in executive positions, initially in Treasury (interest risk management) and for the past 9 years as a residential loan originator. The healthiest mortgage lending market and ultimately the best for the consumer and tax payer is where there is fierce and robust competition throughout the lending channels. I would recommend capping or downsizing the large national banks and more support of the small and the mid tier market lenders. Yes strong regulatory oversight will be required but the consumer will ultimately benefit. In addition, changing Reg Z should be done with input from both banks and the mortgage broker industry with limited weight on the banks since they already control an unhealthy percentage of all loan originations in the U.S. If a maximum compensation is implemented, the maximum should be capped at 2% whether yield spread premium, origination or combination. My personal practice has been a target of 1% but there are circumstances where a higher amount is warranted due to loan balance size or difficulty in finding a lending source for the borrower.