

From: Old Capital Lending, Paul Peebles
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Comments:

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Name: Paul Peebles
Affiliation: Old Capital Lending
Category of Affiliation: Commercial
Address:
City:
State:
Country:
Zip:
PostalCode:

Comments:

We are a small business in Grapevine, Texas. I have been offering home mortgages to consumers for the last 20 years, whether as an employee of a large bank or as I am now, an independent mortgage professional outside the bank umbrella. I have found that as a small business that distributes home mortgage on behalf of the large mortgage banks, we can do a better job with a lower cost to the consumer. Our compensation comes in the form of yield spread premium from the bank and/or an origination fee paid by the consumer. If we are unable to collect an yield spread premium our entire fee will need to be paid by the consumer. Unfortunately, most consumers do not have enough money available to pay for down payments and 3rd party fees. The yield spread provides borrowers the ability to push closing costs from their pocket to the lender. The lender can pay our fee and reduce the burden upon the borrower. As an independent mortgage broker we have to disclose our yield spread. Unfortunately bankers and mortgage bankers do not have to disclose their fees. Mortgage Brokers are held to a higher disclosure than banks and mortgage banks. I would want for an even playing field that all distributors of mortgages (bankers, brokers, mortgage bankers, credit unions, etc.) have to disclose all upfront compensation that that will collect. For our office to remain in business and be the lowest cost provider to consumers; we need to have yield spread available from our lenders. Less mom and pop operations like Old Capital in the Nation will mean less competition and more concentration from the top 5 lenders. When you have limited competition and not many providers, just like in the airlines industry, prices will be elevated and controlled. Ultimately, the consumer will pay higher closing costs without having yield spread available. We appreciate your time. Paul Peebles Old Capital Lending