From: Richard H. Rosario

Subject: Reg Z - Truth in Lending (Amendments)

Comments:

Ms. Kathleen C. Ryan, Senior Counsel

Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System

Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.,
Washington, D.C. 20551

Dear Ms. Ryan;

As a consumer and as a mortgage professional I am compelled to write to you about the Board's proposed changes to Regulation Z. This letter solicits your help to open an immediate dialogue to change what appears to be the very flawed course of and basis for proposed changes, particularly with respect to changes planned in Section 226.36 (d).

It is hard to imagine that the Federal Reserve would change the availability of consumer choice as the proposed rule would accomplish. I have been completing real estate transactions for the past 18 years as an attorney. I estimate that I have completed approximately 70,000 transactions over the course of my career and I never would have imagined that a rule to ban YSP would be passed that would essentially eliminate the profession of a mortgage broker and drastically reduce the amount of consumer choice. It is well known that over the course of the past decade mortgage brokers were responsible for the vast majority of mortgage loan origination vs. the direct bank lending origination. There are good reasons for this, all having to do with competitive market reasons. To ban YSP obviously will eliminate all of the competition from mortgage brokers with the banks. It was only a few years ago, the typical homeowner in this country would received several mortgage loan
solicitations every week. This was great competition and produced cut throat competition among various mortgage originators; all good for the consumer. To just eliminate this competition by eliminating a broker's ability to charge different interest rates compared to the retail rate of a commercial bank just does not make sense. Everyone is aware that the retail interest rate at a commercial bank has always been higher than what a mortgage broker could obtain for a prospective borrower. Banks have always made a service release premium but somehow the service release premium is different than a broker's YSP.

What a mess and lack of choice the proposed rule changes will lead to for the consumer once the new rule is implemented on April 1, 2011. I urge the board to reconsider the rule change and in all common sense craft regulations that stimulate the most competition in loan origination.

Sincerely,

RICHARD H. ROSARIO, ESQ.
CEO AND GENERAL COUNSEL