

From: Michael S Becker
Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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To whom this may concern: I can appreciate the whole idea but this is a bad way about going at it and would only worsen the problem that is trying to be solved. Just like anything else for a consumer having the competition that brokers are able to provide allows the consumer to have more choices and fixing in a flat fee will only make it harder for brokers to offer more competitive rates and fees to consumers. Just like any other industry or economy, profits and losses are generated by volume and percentages and again fixing in a flat fee regardless of any amount would only interfere with the way the whole system works. Wholesale lenders currently provide the same rates to almost all brokers and the brokers depending on the wholesale relationships have the ability to offer a better deal to a borrower than most banks will regardless of the YSP amount. Fixing in separate agreements for each bank with each broker would allow for pricing and compensation favoritism and again would potentially lead to even further unfair lending and have the exact opposite effect than what was intended. Please listen to the industry professionals that know what they are talking about. I have worked as a Loan officer in Arizona for the past 4-5 years and know that this would only make things worse. Other actions can be taken or rules put in place, but so much disclosure and documents already exist for each transaction and some more forms and more restrictions might help but the elimination of YSP would be disastrous.
Sincerely, Michael Becker