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Subject: Reg Z - Truth in Lending

Comments:

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This comment is in regards to the proposed amendment to Regulation Z concerning compensation agreements. I understand the issue to protect the client but this amendment would do more harm than good and put good brokers out of business. The issues I see are as follows: 1. This would drive down competition as it would drive many good companies out and give the consumer less to choose from. Lenders will choose to avoid a myriad of the complex compensation agreements. 2. This will encourage brokers to create these agreements with many different lenders and thus create improper steering of loans. Whichever bank sets the best terms with the broker would get all the loans even if they do not offer the best products. 3. Less competition due to increased liability on brokers. Alternative: The goal of the amendment is "to eradicate incentives to provide consumer's loans with higher interest rates or other favorable terms." This will do the opposite. The alternative is to make everyone equal. Regulation X disclosure concerning YSP should apply to all, including when the originator is employed by the creditor. Now all originators are equally transparent to the client. Thank you for your time. John Carlson