

From: Prime Lending Inc., Gloria Price
Subject: Reg Z - Truth in Lending

Comments:

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December 17, 2009 Jennifer Johnson Secretary, Board of Governors of the Federal Reserve System 20th Street and Constitution Ave., NW Washington, DC 20511 RE: Proposed Changes to Closed-End Mortgage Rules (Docket No. R-1366) Dear Ms. Johnson: I am writing you to comment on the proposed rule amending Regulation Z with respect to closed-end mortgages, and appreciate the opportunity to do so. I am a loan originator in Dallas, Texas. I understand and am fully supportive of the goal of protecting consumers from predatory mortgage loans. However, I am concerned about some of the proposals regarding loan originator compensation. As a youngster, I was a talented math student, and took four years of college courses in math at CUNY, Hunter College, Brooklyn College and Pratt University while I was still in high school. My original life goal was to become a social worker; but I ended up receiving a Ph.D. in Clinical Psychology from SUNY at Stony Brook. In mid-life, I changed careers and became a loan originator. I have been working in this field for the past thirteen years. I chose this field of endeavor because of my dedication to helping people and my abilities in mathematical and financial computation. I have found great satisfaction in my work because I am challenged by the opportunities to help people and to use my talent for problem solving. I am pleased that I have developed a reputation in my community for hard work, extensive knowledge and problem-solving skills which have made it possible for me to help home buyers obtain financing. In many cases, some of my clients, especially those with average to low incomes, would not have been able to find financing solutions elsewhere, because many other loan originators would not have been willing to spend the time required to help these clients - time which I was happy to spend. If the restrictive compensation rules that have been recommended are imposed on loan originators such as myself, I can assure you that many of us, especially those of us with professional backgrounds, who are highly qualified and dedicated to serving our clients, will leave the field, leaving it to less qualified and less client-oriented loan officers. I am also concerned that the loan officers left will be less willing to help customers who most need professional help and guidance, and will only work on easy,

uncomplicated loans. The proposed restrictive compensation rules will drive talented and resourceful people out of the industry. This will hurt the consumer and home buyer. The availability of risky, subprime products was responsible for the high-risk loans which have devastated many home buyers. These risky sub-prime products no longer exist. It is these products which have caused the real estate mortgage collapse, not loan originators, such as myself. In fact, conventional loans do not have the potential for abuse, and - at minimum- should be excluded from any income restrictions. Finally, please recall the "law of unintended consequences." Regulations often have negative unintended consequences. The proposed restrictive compensation regulations are likely to end up limiting the availability of credit, which will hurt the housing market. As I mentioned above, these new, unnecessary regulations - like Gresham's law - will drive out highly-skilled, experienced and professional individuals from this industry. In the end, these proposed regulations will hurt those consumers they are allegedly designed to help. Thank you for your kind consideration of my concerns. Sincerely, Gloria Price, Ph.D.