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**Subject:** Regulation Z

**Comments on Proposed Rules and Amendments to the Truth-In-Lending Act  
Docket No. R1305**

In IL, Loan Officers are registered. I support a national licensing for all mortgage originators, including those who work in banks, savings and loans and credit unions. I also support federal oversight of all mortgage originations to standardize the requirements, disclosures and procedures of mortgage origination. This is the only way to guarantee true consumer protection and simplification of the mortgage process.

I agree with the comments submitted by the CMS Institute, which can be found at <http://www.cmpsintitute.org/pdf/CMPSCommentsforFRB.pdf>. I urge the Federal Reserve Board to carefully consider these suggestions, and implement them into the final reforms to the Truth-In-Lending disclosure.

No other professional, manufacturer or service provider is portrayed as "unscrupulous" for selling goods and services for higher than cost. Yet the discussions of yield spread premium portray this profit margin as 'gouging' mortgage consumers by giving them 'higher interest rates'. Earning a fee for providing a service is not unscrupulous. Banks, credit unions and savings and loans also make similar profits, but do not have to disclose their SRP/Service Release Premium or GOS/Gain On Sale on the HUD-1. These fees are also earned by giving the consumer higher than 'par' interest rates – they could not stay in business if they gave their services away at not cost. Any new disclosure regulations should require disclosure to consumers on the fact that all mortgage originators are paid, ultimately by the consumer, through both fees and interest paid on the funds borrowed.

I also agree with the CMPS Institute's discussion of stated income loans and the recommendations made (available at <http://www.cmpsintitute.org/pdf/CMPSCommentsforFRB.pdf>). Borrowers who obtained sub prime, stated income loans that cannot currently be refinanced because these types of loans have been discontinued. These borrowers should be able to refinance into an FHA mortgage program with underwriting guidelines similar to a streamline refinance.

APR is confusing, inconsistent and inaccurate. It is easily manipulated. Requiring instead a simple estimate of actual costs, with a re-disclosure prior to closing if costs or payment changes by more than 10% will provide more meaningful information to the borrower and compliance can be easily determined. I find the Home Mortgage Summary Disclosure Form proposed by the CMPS Institute a more functional and understandable form than the current TIL form (see comments at <http://www.cmpsintitute.org/pdf/CMPSCommentsforFRB.pdf>). This disclosure both simplifies the application process and shortens it by rolling several disclosures into one document. This form should be tested by the Federal Reserve Board, and adopted if consumers find it easier to understand than the current TIL.

I urge the Federal Reserve Board to implement regulatory reform that truly simplifies the mortgage origination process, protects the consumer and maintains the viability of all mortgage originators, requiring simplified and full disclosure with every mortgage application. I urge the Board to standardize the mortgage origination industry by federal regulation and licensing of all mortgage originators. I urge the Board to eliminate APR as a tool and benchmark, and replace it with required disclosure of actual costs and terms, and a requirement to re-disclose changes of more than 10% to the borrower prior to closing. Finally I urge the Federal Reserve to reconsider the position of non-traditional underwriting, and make suggested recommendations to HUD regarding the current sub prime mortgages resetting in 2008 and 2009.

Thank you for the opportunity to respond to Docket NO. R1305.

Respectfully submitted by,

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