

**From:** Sklausre@aol.com on 03/16/2008 01:35:04 AM

**Subject:** Regulation Z

When proposing and making these rules, some effort should be made to look into the actual day-to-day activities and how these processes work in real life. I am a Realtor (ex banker) in the State of Washington.

- 1.) no amount of disclosure and additional disclosure is going to make the consumer understand this process. It is however a tool to make the loan officers behave.
- 2.) These Regs. should be streamlined to work within the actual home-buying process - or vice versa. At present the forms (Financing Addendum) does not easily permit the consumer to choose the best rate/lender/program. In this environment lenders go out of business, loan programs are no longer offered, credit, downpayment and other requirements change and lenders are required to provide loan information to the seller of a home - which they never do.
- 3.) the consumer is interested in one thing only - by the time they had an offer accepted by the seller - can I get the money - can we close on time? They rely on the process and their Loan Officer to make it happen. We, the professionals have scores of Attorneys interpret these forms and disclosures for us and we don't (most of us) understand all the requirements, relying on the Attorneys. Even if we understood any or all the requirements, we cannot "practice law" and give advice. The consumer is even less likely to understand any of these forms and requirements and knows only one thing: if I don't sign these documents and disclosures, I don't get my home.

In the case of VA loans, sellers often will not accept VA terms, because of the complexity and plain honerousness of the requirements. Perhaps that will change somewhat in today's buyers market.

In theory, APR, Good Faith Estimates, disclosures etc. are there for a nobel purpose. In practice, they are not understood by anyone other than an Attorney dedicated to the study of perhaps one regulation. They are not understood by the public and only an obstacle between them and the home they hope to purchase. (The proof: 65 pages of your proposed regulation.)

I don't have a solution - I am pointing out a total disconnect between the effectiveness of the aim of these regulations and understanding and judicial use in every day practice. The lack of understanding additionally leads to a fear factor for loan officers, lenders, real estate practitioners and everyone involved and a reluctance by borrowers to endure the ordeal of obtaining financing in a process they don't understand, that no one can explain to them so that they do understand. Eventually all breathe a sigh of relief when - despite of all this - the transaction closes.

I am sorry to be so negative, but the aims of the regulations are not being achieved (if the consumer should understand them and use them to get the best deal). However, without them a free-for-all would certainly be worse.

Klaus Golombek