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Subject: Reg Z - Truth in Lending

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Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages  
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There are many things wrong with this proposal. 1. It unfairly helps the banks and other institutions and that have retail loan officers that don't have to give the consumer these disclosures. So, where is the true transparency to the consumer? 2. If there is a flat fee agreement, then lower income borrowers will be paying higher interest rates. For the lender to give the same flat fee compensation on a loan that is \$100,000 compared to a loan that is \$400,000, the interest rate will be considerably higher for the lower loan amount mortgage. This doesn't help consumers, only wealthier consumers! 3. The process to get a mortgage will become more confusing to the consumer. Consumers already have a hard time understanding everything that is involved. Now, we will be inundating them with more options than they will know what to do. Many consumers rely on the honest mortgage broker to find the best program and options for them. We, mortgage brokers, work the system every day and know where to place loans to get them closed for our clients. We need to continue to be able to provide the service of finding the best rate and program for our clients, the US consumer. 4. It is extremely difficult and time consuming to get a loan approved and closed with all the regulations that have increasingly tightened up (they needed to tighten up a bit, but it has gotten so prohibitive to get even the best clients mortgages). 5. Most importantly, this will not benefit the consumer. I always give my clients options. They have the choice of the rate and point combination that works best for their situation. If there is no more Yield Spread Premium, this consumer choice is eliminated. These days, many clients need zero point loans to lower the cost to purchase a house. I am understanding making changes to help the consumer and eliminate the bad brokers out there. But, this does not do either of these things. This regulation might even make it easier for bad brokers to operate.