

From: CWC Financial, Charles W Christensen
Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Name: Charles W Christensen
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

This proposal will result in fewer choices for consumers and likely higher costs to consumers. Higher costs will result from the inability to receive less compensation than is shown in the flat fee agreement coupled with higher costs of doing business as a result of this proposal. Not to mention the fact that this will likely put the mortgage broker out of business due to the risk of lawsuits. Less choice = less competition. The brokers this proposal will affect are the honest and fair ones, the unscrupulous ones will continue to work around the system. Having to "prove" that the lender chosen at a particular moment in time is opening the door for attorneys to challenge every single loan that closes. How in the world would it be possible to prove this? Would a broker actually need to have every rate sheet from every lender in the USA at the moment the rate lock was executed? Does this mean that every lender in the USA would need to allow every broker to do business with them? What about quick closes vs. price on longer closes? What about interest savings for a quick close with a higher priced lender? Will the big banks have the same requirement? I understand the desire to protect the consumer but effectively eliminating competition by driving brokers out of business (because lenders won't offer third party originations due to the risk of lawsuits) WILL HURT the consumer. Do you really want to put everything bank into the hands of the big banks? Have we not learned anything? The big banks created this mess, not the brokers. The big banks and their lavish spending practices are a joke. You don't see small shops like mine with golden toilets and jet airplanes and throwing lavish parties. The bigger they are, the harder they fall. Do you really think Bank of America cares about the individual consumer? Absolutely not. The individual consumer means nothing to them and if you disagree, you are really missing the boat. However, the individual consumer means everything to me. Why? Because they truly affect my bottom line and as a small business owner, my reputation in my local community is all I have. Just look at the consumer affairs websites, are there complaints about the business practices of

the big banks? Yes, and they are endless. The stories I hear about them are truly unbelievable. Putting a cap on compensation is effectively dumbing down the industry. Only clerks will be doing loans. What about complex mortgage strategies and complex lending scenarios? It's taken me over 20 years of experience to handle many of my customers in the professional and experienced manner they deserve. Another point regarding the big banks, they are making money hand over fist on the consumer right now. Interest rates should be lower than they are but the banks are over-charging the consumer (on the taxpayers nickel by the way) in order to make up for their bad lending decisions of the past. So what's the solution? Perhaps you cap compensation at \$7500 per loan in commissions. Or perhaps a tiered system whereby loans between \$100,000 and \$200,000 can yield commissions of \$4000 max. \$200-300k = \$4500 max... etc. The cost of living issue is key here. In order to serve my local community, where the cost of living is higher than most places in the country, I typically earn 1% in compensation - a combination of yield spread and/or origination. It costs more to live here and that's why bigger loan amounts pay more. Here are the last few ACTUAL comments from my clients - which can be seen on my website at www.cwcfinancial.com - Is that what's being said about the big banks??? NO WAY. Do you really want to kill small business? That's what makes America great!! Here's how my clients feel about me and my team: "You are Awesome!! :-] Thanks Charlie - I'll definitely recommend you to anyone who needs a loan!! Robin, Richmond Thank you, thank you, thank you!! You were an absolute pleasure to work with and I will most definitely refer you to others!!! All the best, Trina, San Francisco "This has been an amazing process - so easy. I appreciate all your work. " Katy, Napa "Leonard and I are very happy to have gone through this process, and you/your office made this a painless exercise. We had been prepared for something much worse!" Quiana, Berkeley "You did everything so well! Thanks for your hard work and market expertise -- it means a lot to us to have solid professionals in our corner!" Margot, Novato "Thanks so much! Another perfectly delightful transaction with you!" Mary, Lake Tahoe "Thank you again for handling our loan with great efficiency and professionalism - we both really appreciate your super service." Jen and Russell, San Rafael "I have worked with many mortgage brokers over the past 30 years. The experience with your team was by far the best. I will gladly return for future business and recommend you to my friends. Thanks for the great service." Richard, San Jose "CWC provided excellent financialservice advice and solutions to accommodate a fast move from southern California to northern California. If ever there was someone who in crunch time can produce results, think outside the box, and do so with the utmost integrity and reliability, it's CWC. Thanks!" George, Tiburon, CA "You were the best loan people that I have ever had the opportunity to work with. And, even though I know that this is only business, character and relationship mean a lot to me - and you both came across with integrity." Stefnie, Pasadena "Dear CWC Financial, Lynn and I appreciate all your help on our refi. It was the most trouble-free refi we've ever experienced. I particularly like that you took the application over the phone. We will definitely recommend you to our friends." Neil, San Rafael Please get it right and don't hurt more Americans by giving them less choice and forcing them to work with the mega banks.

Sincerely,

Charlie Christensen
CWC Financial