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Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Although the proposal changes to Reg Z, TIL and closed end may have come about with good intentions, each would have a serious negative impact for all concerned. Mortgage brokers would be unnecessarily burdened by increased costs, bookkeeping and subject to legal fees from frivolous law suits. The government would be exposed to increased "watchdog compliance" labor costs. The consumer would incur higher financing costs, since the expense from the above would be passed on to them in one form or another. More importantly, the consumer who needs help the most would be the one who is most adversely impacted. How you may ask? Since the old axiom "time is money" holds true, complicated tough transactions that need the most attention and time will be passed over due to a flat fee. Originators will not want to spend double or triple the amount of time in working those transactions for the same flat fee, therefore the very target the FED intends to help will be hurt the most. Surely, a better solution is possible for all.