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Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Comments:

I have been originating home loans for over 25 years and during that time I have seen many attempts to educate the consumer on how to get the best home loan based on qualifications. The current proposal while well intentioned will only further confuse the end consumer, cost more money, and make it harder for the consumer to get a good loan. We are already seeing the Good Faith Estimate go from a 1 page form to a 4 page form which the consumer will not be able to understand. The proposed changes to Regulation Z would require basically a flat fee approach to compensation. I have many 1st time buyers who do not have enough money for their down payment and closing costs that include paying points. In these situations we offer the buyer a "slightly" higher interest rate with -0- points which allows them to structure the loan to fit their needs. The fact that this new proposal is focused only on mortgage brokers and not loan originators employed by direct lenders seems discriminatory at the least. I would agree that a better system needs to be developed to better protect the consumer but more research and more study of the problem is needed. This proposal will only muddy the waters and hurt the consumer in the end.