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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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Dear Sirs I am commenting on the proposed amendment to regulation z in regards to broker compensation. The proposal is confusing, and is putting the onus of shopping for the best rate and fees on the small independent broker. Another stab in our backs, especially for the majority of brokers who have consistently worked to give the borrower the best terms. The offering of YSP's allows the borrower options of paying less in closing costs when the broker can be compensated from the lender. I believe the new disclosures adopted by HUD will make sure that there is clear information for the consumer to use in choosing which broker or bank to borrow from. No more can a broker change his compensation from the original good faith at closing. I think if any changes should be enacted, how about putting a cap on broker compensation of 2%, whether is paid form the YSP, or directly form the borrower. There is plenty of information for the borrower in the new regulation x to compare lenders and broker. This regulation will force many good brokers out of the business, or go to work to the Banks. It seems that is another attempt to give banks back the mortgage lending business, and deny borrower options, that will result in higher prices and poorer service . Please give time to judge the effectiveness of the changes in reg X, before throwing more changes into an industry on the ropes. Remember the real problem of the mortgage meltdown was caused by the greedy wall st companies that created the crap loans, and encouraged brokers and banks to originate. Today the problem loans, and underwriting are gone. Let the borrower make the decision with proper disclosure, and don't assume that the broker should be responsible for borrowers who don't bother to read everything that we now provide to them in making their decisions. Thank you for your time, Dave Giacomini