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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 have been in the mortgage business for many years and I have seen things change quite a bit. It seems as though there is great urgency now on the part of regulators to "fix" the problem at hand. One thing I can say is maybe we are all a day late. Things have changed themselves and the damage is done. I understand that the goal is to prevent this from happening again but your approach is all wrong. First the new good faith as with the old is not very user friendly. Next a truth in lending statement with the disclosure of apr is not easily understood by a consumer. Make it a change and say this is what the broker is making and get rid of multiple fee's. Make it so that a bank or broker for any fee's going to them can be on one line. IE Underwriting, processing, doc prep,.etc is all combined on one line and there is the fee. This way the consumer could easily look at a good faith and see the broker/ bank is charging me _____. The next is the rate _____. Make it real clear here are the banks/ brokers fee. Next while I am with a bank we NEED brokers. It keeps the banks honest. I had a customer come in today and I was able to quote them ½ a percent lower than they got quoted from a big bank because I can broker out the deal. While I am a retail mortgage banker now I was in the wholesale side prior I can tell you that there are good brokers and bad. What made the bad one's bad where the programs that were available to them and how they were sold. As an industry we failed to self police the programs. Allowing 100%stated loans was wrong. Option Arms with too high of a loan to value was wrong. Providing too much house to borrowers who didn't or wouldn't qualify was wrong. The areas you are looking to address now is quite frankly a waste of time. Lenders have certain caps on what you can make and I for one am shopped on every deal so am I able to make anywhere near the max? No. Am I trying to? No. The difference in money that you are talking about on the average size loan is going to amount to about \$1500. This entire process could be handled much easier, faster, and cheaper. Tell the banks that

the brokers/ lenders are only allowed to make 3 points max on the front and the back and the problem is solved. Anything else the broker collects would be able to go to the borrowers in the form of lender credits so we close more loans. Finding a way to make it more difficult for brokers to stay in business hurts America and the economy. We need to put people back to work and small businesses are what we need. A bigger stronger group of 6 big banks will only continue the trend of "too big to fail". Where you live are their local restaurants, local stores, local businesses? Or are they just the nationwide chains? Our country needs local financial outlets who employ the receptionists, processors, loan officers. These people join local organizations who employ local people who shop in local shops and put local businesses in business. Think of it business cards, copy machines, furniture, all the things local business buy on a regular basis. Not to mention the local restaurant to feed the local workers. We need to remember that in this time we need to find a way to get people back to work not streamline the industry and get more people to work at the big 6 banks.