

From: David G Gordon
Subject: Reg Z - Truth in Lending

Comments:

Date: Dec 04, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
Document ID: R-1366
Document Version: 1
Release Date: 07/23/2009
Name: David G Gordon
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

I have some issues and concerns with the existing proposal that is on the table for regulation Z. I have 17 years experience in financial services and have been a loan officer in the wholesale industry for the past 7 years. I believe that the proposed change would end up in the same result for the end user (customer) as what exists today. The so called flat fees will be negotiated to where the borrower ends up with a higher interest rate than what happens in the marketplace today. I feel the loan volume would decrease and with the added exposure to the mortgage business, there will be more costs to running a mortgage business than ever before. The owners of said companies will be forced to generate more revenue on a smaller amount of clients, just to break even let alone be a profitable venture. The end result will be that more revenue will need to be generated off each and every loan and the flat fee system will cause an increase in the rate as a result. I feel that this will cause there to be less competition in the marketplace as well as some of the wholesale lenders will choose not to participate in this practice and therefore the consumer has less options to pick from when in a position to qualify for a mortgage loan. I am hoping that the free market system is allowed to do it's job and that some proposed changes in the GFE will make it clear to a borrower what the actual cost of a loan would be. This industry is the only industry that I am aware of that discloses the cost of the borrowed money in the form of line items and disclosures. When I buy a new couch, tv or some insurance...I have no idea what the company is going to make as a profit on the purchase. I simply make the choice based on competition and cost as I would expect my consumers to do when I propose an option to them. Please keep in mind that as a loan officer, I feel that the main issue of bad underwriting and products is the cause of many of our problems we face today...and the loan products (i.e. subprime, negative amortization and over equity loans) are in fact no longer available and the qualification standards are much tighter. This should reflect a more qualified borrower which should rectify the majority of the

industry issues we face. Thank you for your consideration.