

From: Comstock Mortgage , Dennis L Graves
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: Dennis L Graves
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

I would like to comment on the Board's proposed amendment to Reg Z. As a mortgage consultant with 5 years in the industry, I have seen the good and the bad with our industry. Also, as a consumer, I understand the need for transparency. That being said, I feel, #1, that the board should first allow for a period of time to see if the new changes to the new HUD1 will allow borrowers to more clearly shop and compare. Isn't this what all of us as consumers want, the opportunity to cut the best deal. So often the consumer didn't have this option because they didn't understand the myriad of documents that pertained to the cost associated with their loan. With an iron clad up front GFE, consumers won't be surprised at the closing table and will have the option to compare. #2 the current compensation structure allows lenders to give consumers what they want, low rate or low fees. As you well know, rates are tied into mortgage backed securities. Those rates and cost generally are within .125% on any given day amongst any given investor. It all comes from one pot ultimately. In a market where borrowers are cash poor, having the option to raise the rate slightly, in most cases no more then .25%, to keep there out of pocket cost down is critical to getting borrowers into homes. #3, if anyone thinks new regulation will keep unscrupulous lenders out of the market your wrong. We will still have these individuals to deal with. More then likely the reduced compensation will drive good lenders out of the business due to cash flow issues or concerns over potential law suits down the road. So, #4, enforce the current laws that are already on the books. If this was being done, we would see less of the unscrupulous lenders out there. I thank you for your time. If I can be of further assistance please contact me at
Respectfully, Dennis Graves, Comstock Mortgage