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Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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There are enough changes in our industry to discourage the greedy unscrupulous mortgage originators out of the mortgage brokerage. Time to stop this crazy attack on the mortgage brokers. Since 2004, I have worked for an office that can originate as a Lender or as a Mortgage Broker. I have originated very few loans as a Lender. Over 90% of my loans have closed as Broker Loans because we put the borrower first. Lender A may have the lowest interest today, so we place today's loans with Lender A. Another borrower comes in the next afternoon and I may find that Lender B, now has the best rates, so Lender B now gets my business. If the Yieldspread changes go into affect, my plan is to embrace the Lender Business and do like the major Lenders do... I will only have 1 rate and will not have the extra labor of getting the rates from different lenders, figure out if borrower has something on his profile that makes him a better fit with Lender A vs Lender B. My wife will be happy. I will no longer go home and have to work after supper analyzing rate sheets, etc. I will still work hard to help the borrowers with their issues... where to go to correct credit issues for free, help them write their explanation letters, taking their calls at 8:30 at night after they get home from their jobs, etc. Imagine a mortgage industry without Mortgage brokers. Even today with so much competition, a Borrower may go to his local bank thinking they are getting a lower rate, vs a mortgage Broker. After they are denied and look for a mortgage broker, they are happy to hear that we can do the loan at a cheaper rate. Competition keeps rates lower and puts more buyers into homes! There are enough examples to show that The rep in the lobby at the small bank or even at bank of america does not have the expertise to meet the needs of an FHA buyer. The rep at a local bank is not going to think about the customer after 5:00 O'clock. How many Bank of america borrowers are denied at the closing table when they were verbally "approved" 2 months earlier? (Bank of AMERICA has actually been pretty good for the mortgage broker, so please don't fix bank of AMERICA mortgage dept.) 1- We often encourage borrowers to go with zero points

or only with 1 point rate, and sometimes with little closing costs. We use the yield spread to offer low closing costs and no point rates. How do we brokers compete on a zero point rate, if lender can't pay us yield spread? Most abuses of yield spread were with the sub prime loans, and the 1% negative interest mortgage program which should have never been allowed. HELLO, YOU ARE TOO LATE. SOME OF THE CHANGES ARE ALREADY HURTING THE CONSUMER. Squeeze more and you will hurt the consumer and the mortgage broker. There is really no need for any more changes. Brokers are now licensed, which was needed. 2- In order to keep the consumer on top of things this is what I would do. Place on top of the GFE " This week The FNMAE average fixed rate is ____". Your rate is higher than this because..., or Its Lower....". One time a clerk told me, " door locks are to keep the honest people outside ". All these rules and aggravation are for the honest brokers that will survive this nonsense. Unfortunately the consumer is getting suffocate. 3- The rules for mortgage originators must be the same for the Broker The Lender and the Federal and other banks. If originators for a federal bank don't need a license, or don't need to pass background check and credit checks, then only these institutions will be able to hire the very same people you want to force out of the business. I am hoping that politicians will learn more about the consumers needs, and overlook the banking institutions deep pockets. Squeezing the mortgage broker out of the business, will help the big institutions on the short term, at the expense of the consumer. I just don't see how the consumer is being helped with more red tape. SO the consumer couldn't understand the mortgage transaction before, but they will be able to understand now, by bringing tons of forms, and formulas? Are the politicians pushing the consumer into hiring attorney friends to explain the mortgage transaction, then if that fails, they hope that the consumer will hire a lawyer to sue the broker for any little mistake the broker makes throughout the mountains of paperwork the originator has to fill out? We may be driving the honest and compassionate originator out of the business more than anything else.