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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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Comments:

Eiminating the mortgage broker's compensation in the form of YSP is ultimately going to have a negative effect on the consumer. First of all a mortgage broker won't be able to do a "no cost" loan. I did a loan for a client today that was absolutely free. I used the YSP and paid for all the client's closing costs. With no YSP I would not be able to do this. Second, consumers always have the option to go to banks if they don't like our rate. If I can offer the consumer a rate and a total cost that is better than one can get a BofA or Wells, what does it matter how much I make? If the consumer is getting a better deal, that's all that matters. If you really want to help to consumer change the GFE to a simple 1/2 page form. The new 3 page GFE is a joke. It's so complicated that it will not help the consumer shop or compare. A GFE with only a few lines on it is all that's necessary. The first line should contain the rate Teh second line should be the total cost for the loan PERIOD! This number would include ALL costs the appraisal, title fees, recording, all the BS fees. Then require the bank or broker to guarantee this number. When I quote a deal to a client I give them one number. " the is loan will have closing costs not to exceed \$XXXX.XX". And before closing I confrim that the costs are indeed equal to or less than what I quoted. It's simple. It doesn't need to be more complicated than that. The terms of the loan should be spelled out simply. Again doesn't need to be too complicated. The new GFE is bogus, because it includes so many costs that are non-loan related that should not be on there. If you really want to do some good. Simplify! Overwhelming the consumer with pages and pages of disclosures will not help. It really doesn't need to be more complicate than: 1) What's my rate? 2) How much does it cost? 3) What type of loan is it? 4) Is there a pre-payment penalty? 5) Does this loan require impounds? 6) How long is the quoted rate guaranteed for? Thank you.