

From: Peter Dinell
Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Name: Peter Dinell
Affiliation:
Category of Affiliation:
Address:

City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

Mortgage interest rates are provided to the consumer by the 1/8 of a percent. It will not be possible to tie the premium paid by a lender to a broker based on a fixed agreement. This result of a change like this is an increased cost to the consumer because all adjustments would naturally be made in favor of the lender and broker. The solution is to tie the good faith estimate provided at application to the final settlement statement under the recently changed disclosure law. The good faith estimate should reveal to the borrower the compensation to the broker combining the origination with the yield spread premium to determine the APR. At closing, the compensation would have to be equal or less than the good faith estimate or new disclosures would be necessary.