

From: United Trustees Association, Teresa Litt
Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Twenty-seven years as a non-judicial foreclosure trustee professional in California has made me witness to numerous foreclosure cycles for varying reasons (un-regulated servicers, earthquakes, aerospace industry layoffs, unrealistic loan programs, etc.). Imagine the breadth of Promissory Notes I have seen. Eleven years ago, I also became a California, Department of Real Estate licensed broker. I have been mentored in the real estate and mortgage industry by my husband, David Litt. David's father, Sid, opened our mortgage brokerage, Select Mortgage in 1963. Hence, I humbly feel more than qualified to comment on the Reg Z - Truth in Lending proposal on closed-end mortgages (R-1366). My understanding of the proposed Compensation Agreements, if effected, would lead to 1) higher costs which would ultimately have to be passed on to the consumer; and 2) loss of brokers and lenders willing to compete in the open market due to over-regulation, which would ultimately adversely affect the consumer. While the concern is the compensation received based on terms and conditions, I believe the true concerns should be: 1) the education of the borrowers in their loan choices; and 2) full disclosure of compensation at the retail and wholesale levels. Perhaps a required Certificate of Completion to a webinar or teleconference explaining loan terminology and definitions with loan scenario examples would help educate consumers. These Certificates of Completion are found in such areas as reverse mortgages. After all, buying a home is an investment of a lifetime for most. Consumers should be educated about their mortgage options. Unfortunately, the proposed anti-steering clause will not stop the bad broker from steering until they get caught. And then what? The consumer is still trapped in a loan that they overpaid for or perhaps cannot afford. While the bad broker can be punished, the consumer is still suffering with the bad loan. Foreclosure will still be eminent for the consumer. The bad broker is not going to buy back the loan. For these reasons and more, I respectfully request that these portions of

the proposed rule be put on hold until the new Good Faith Estimate has been historically monitored. Brokers and lenders have been diligently working in trying to understand and implement all the new legislation this era has brought about and more untamed regulation will be disasterous to all. Please feel free to contact me. if you should have any questions.

Respectfully,

Teresa Litt
Litt Mortgage, Inc.,