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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:

I do not agree with the Federal Reserve Board proposed amendment to Reg Z. Requiring individual contracts between mortgage brokers and lenders for compensation will severely limit consumers choices as bad brokers will always go to the lender who offers the highest compensation. This higher fee has to be supported by higher interest rate which is exactly what the board wants to avoid. To avoid this practice the board wants the broker to supply three alternatives. At this stage of the process, brokers do not even know for sure whether the consumer is able to qualify for the loan in the first place. This complex process will make it too expensive and too risky for honest brokers to survive. It would also limit the Freedom of Choice to the consumer because Federally Chartered banks do not have to follow these rules. The new Good Faith Estimate is a major step in eliminating the problems that the board brings up. I ask that they give the new GFE a chance. ALL of the mortgage products which caused this melt down are gone. What the board seeks to do with this amendment is closed the barn door after the horses are gone.