

From: Anthony M Schrementi  
Subject: Reg Z - Truth in Lending

---

Comments:

Date: Dec 07, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages  
Document ID: R-1366  
Document Version: 1  
Release Date: 07/23/2009  
Name: Anthony M Schrementi  
Affiliation:  
Category of Affiliation: Commercial  
Address:  
City:  
State:  
Country: UNITED STATES  
Zip:  
PostalCode:

Comments:

The new proposal looks like another well intentioned attempt made in the interest of protecting the consumer, that in the end will only end up hurting the consumer in the form of dried up resources limiting competition. Unscrupulous brokers will still find a way to game this new system to their advantage and inevitably result in the consumer's loss. In the meantime the great majority of honest brokers will find the complex process the Board requires to cover themselves and paper trail their loan too onerous, expensive and risky. This looks like a bonanza for attorneys general who will score big when they peel back the layers of the onion and take all the parties involved in a transaction to task imposing huge fines at each level. Great for them, but very bad for the consumer. There is no evidence that loan originators today are steering consumers into time-bomb products that existed just a few short years ago such as Option Arms other adjustable loans that were fixed for a short period and then exploded when they became adjustable, because those products do not exist today. The Board has not offered any evidence that an emergency exists to warrant such a Draconian rule change that they cannot wait to gauge the impact of the new GFE. Why not put the rule on hold until the impact of the new GFE with its greater disclosure requirements becomes known? In doing so, reassess the potential for steering that would arise from the new rule, as well as the negative effects that would come from the increased enforcement of civil liability.