

From: Marvin Hudson  
Subject: Reg Z - Truth in Lending

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Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages

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Comments:

Speaking from the perspective of a 25-year veteran in the mortgage industry, I'm afraid at least one feature of this proposal - Regulation Z, Truth-In-Lending, Closed-end Mortgages, R-1366 - will result in significantly reducing options for borrowers...options that are necessary to benefit borrowers in ways that are available only thru access to Yield Spread Premiums. Just one example, and this happens very often: a borrower is presented with two Good Faith Estimates, one with a lower interest rate and higher closing costs, the other with a higher interest rate and lower closing costs. The borrower gets to make the choice, depending on their present liquid assets and their cash flow. Only they know what's best for them, what best suits their present situation. To remove this option brings harm to the consumer; while the intention to protect the consumer is commendable, certain aspects of R-1366 will hamper a good number of borrowers and their ability to complete a transaction. Too often, well-meaning but damaging regulation, policy, legislation, etc., brings more harm than good. I would suggest removing this so-called "'steering" correction' recommendation from R-1366.