

From: Optima Mortgage Corporation, Tom Wilson
Subject: Reg Z - Truth in Lending

Comments:

While I agree early disclosure to consumers is important, listed below are my comments for the subject docket:

1. Revise language of the Proposed Rule to permit either the creditor, or a mortgage broker or third-party originator, to provide the required pre-application disclosures.

a. Because the Board has not defined mortgage brokers or other third-party originators as creditors, and these originators are often the ones making first contact with consumers and taking applications, the Proposed Rule poses a compliance problem for creditors, mortgage brokers and other third-party originators.

2. Eliminate the disclosure of APR, and instead require disclosure of payment terms, settlement costs and monthly payment. Board testing showed that consumers do not typically understand the APR and do not use the APR effectively as a shopping tool.

3. The Proposed Rule provides two alternative approaches for disclosing changes to loan terms and settlement charges that occur during the three business day waiting

period required between receipt of the final TILA disclosures and the consummation date. I support the second approach would require creditors to provide another

final TILA disclosure if there is any change in terms, but the additional three business day waiting period would be waived, so long as any change to the APR does

not exceed a designated tolerance threshold and the creditor does not add any adjustable-rate feature to the loan. Establishing a reasonable tolerance threshold,

within which certain terms could change after the final TILA disclosure but prior to closing without requiring re-disclosure and without triggering an additional waiting

period is the better solution.

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