

From: Edward Precht  
Subject: Reg Z - Truth in Lending

---

Comments:

To Whom It May Concern:

Written with regards to restrictions on compensation, the proposed rule will require consumers to pay for services rendered in connection with obtaining a loan either all up front or all on the back end through the rate. This will have a significant impact on consumer's choice in deciding how to finance a mortgage loan and eliminate their ability to choose to finance only some or all of their costs.

The potential consequences that have arisen through requirements and limitations proposed in the rule, specifically, unintended consequences that will hinder a consumers' right to decide the most suitable way to buy a home. The proposed rule will remove interim rate financing options for consumers that will potentially limit their ability to obtain loans or forcing them to take on more debt over time. For example, if a consumer desires (or is required in order to qualify) to pay some up front fees to reduce the overall costs to be financed over the life of the loan and hence partially reduce their monthly payment (as opposed to financing any costs through the rate), they would not be allowed to do so. Instead, if they do not have enough cash to cover all of the costs up front, (or simply want to preserve some cash on hand), their only choice unfortunately, would be to finance all of the costs through the back end at a higher interest rate, higher payment and overall higher debt.

Thanks for your time and consideration,

Edward Precht  
Mortgage Consultant