

From: Clarion Mortgage Capital, Dave Brown  
Subject: Reg Z - Truth in Lending

---

Comments:

Date: Sep 23, 2009

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

Comments:

While I believe we are all in agreement that oversight of the mortgage industry needed to be more carefully regulated, this proposal in it's present form will harm consumers and decimate the mortgage industry putting many people out of work. The mortgage crisis was not caused by loan officers. It was caused by a combination of factors that all center around greed. Banks, Wall Street, borrowers and some loan officers are to blame. However, blaming a loan officer for a loan that has gone bad because of poorly conceived underwriting guidelines is like blaming car dealers for the US auto industry problems. This proposal would also greatly damage a fragile recovering housing market by eliminating competition and choices that borrowers will have. An example of a very ill conceived new regulation that is hurting the housing and lending industries is the recently enacted HVCC. I could go into great detail but I am sure you are familiar with the many unintended consequences of this regulation that has hurt many many borrowers, lenders, realtors, homeowners etc in the housing industry. This proposal will have similiar detrimental effects by eliminating choices borrowers have. For example, right now a borrower can choose to pay no lender fees at x rate, or pay lender fees at a slightly lower rate. For the borrower that may be tight on cash, this is a great option. This regulation could eliminate choices like this for borrowers. In virtually every sales occupation in the world, salespeople are compensated on commission as it is part of the motivation to work hard. Human nature says that if I know I can be rewarded for working harder, then I will. If there is no incentive to work hard, then I probably will not. Stock brokers, Car salesman, retail sales people, Realtors, Insurance salesman, and the list goes on an on of occupations that are compensated based on performance and profit. This is the foundation of our economic system of capitalism. To say that everybody earns the same is a move toward socialism and not the answer. I would challenge you to look at the loans that are now being funded over this past year with the increased regulations and tightened underwriting. I am sure

you will find as we have that these loans are performing well and borrowers are not being overcharged. Subprime loans, option arms, stated income, and aggressive underwriting are all a thing of the past. This along with tremendous audit and fraud detection tools we have now have access to will ensure we don't ever repeat the mistakes made that caused the challenges. The New TIL regulations ensure that a borrower has a tremendous opportunity to easily compare loans from one company to the next in a very simple "apples to apples" way. If one company is charging what is not competitive, they will not survive and will go out of business. Charges can't be added or changed at the closing table so the regulations to ensure fair charges to borrowers is already in place and working. Additionally, over half of the people that one time made their living in the mortgage industry are no longer able to do so. Loans being done today are performing well, and the many safeguards that are now in place are making sure that borrowers and lenders are both winners. More regulation is not the answer at this point as the industry has already enacted the necessary changes to ensure quality loans are being granted to worthy borrowers at fair costs. Please don't put enact this proposal as the harm it will do to the housing and lending industry could well be enough to undo the recovery that has started. Thank you for your consideration