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Comments:

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I agree that Loan originators should not steer clients into inferior, higher commissioned loan programs. Compensation limits appear to be a good direction, however it will limit the options for the consumer for many of the loan programs in place today. This provision as it now reads, will reduce competition, provide major market changes in the secondary Mortgage market, create much higher rates, provide a huge angst with the financing arms with the secondary market and provide a real threat to maintaining some sort of stability in this fragile housing market. The intent of this provision should be focused on any future loan programs that can/will be developed by an institution, private or otherwise, that will be sold to another counterparty within a given time period. Steering occurred primarily with the advent of subprime and option arm loan programs. GSE, FHA, and VA loan programs, because of their sheer number and consumer awareness are able to be shopped competitively by the consumer. It is very difficult to charge a higher rate on a loan nowadays, as the public has become VERY aware of the going rates and terms on their residential financing. This market competition will provide the free market solution to the steering issue. The GSE, FHA, and VA programs should be exempted from this YSP issue. Future non-portfolio loan programs need to abolish YSP altogether, or have their YSP premiums much lower than their GSE and FHA counterparts