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Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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I am a 20 year mortgage banking professional. When I first heard about our government talking about R-1366 last year, my initial response was, are you kidding me? This proposal would literally destroy the mortgage industry and completely devastate our economy in a way that the average homeowner would find it even more difficult than it already is to borrow money for their homes. Why do you ask? By changing the way Mortgage Back Securities are exchanged and managed in today's current system, you will narrow the ability of any investor in MBSs to receive any type of return enough to justify the investment. Our government can not control the free open-market financial system. As much as you may think you can, the fact of the matter is, if you do this, you will cripple institutional investments in MBS. Ultimately, the average working US citizen would no longer be able compare and shop for the best mortgage because and you would have created a Mortgage Monopoly as it will be the local "Banks" that would be the only "game in town". Interest rates will actually be higher for the consumer since those institutions offering mortgages will have a higher over head to conduct business, will build their profit margins into interest rates, and the quality of service and advice given to the consumers will be no different than driving up to a fast food restaurant and saying, "Give me a # 1 please without any lettuce" and getting the response from the order taker, "sorry we cant do that any more - it all comes prepackaged nowadays". We have and always should be (mortgage providers) advisors to our clients for their biggest asset (home) which has the biggest liability (mortgage) and if you eliminate individuals such as myself to conduct business, we will just become order takers - not professionals who provide quality advice and superior service for those in need of a mortgage. The mortgage industry, financial institutions, and investors in MBSs, have all made changes which began over 2 yrs ago to control things that quite honestly fixed the mess that our Federal Reserve gave the "ok" to Fannie Mae and Freddie Mac over a decade ago which allowed bundling of MBS of lower quality B paper in A paper trades. That was our government's doing - not ours. Stop trying to control free trade

and limit the ability of US Citizens to work through the toughest time economically of our country's history and work more towards actual improvements of economic growth. Concentrate on job growth not job loss (that's what would happen by the way) if you pass R-1366. If R-1366 becomes a reality, you will destroy approximately 70% of the mortgage industries ability to produce. Our industry helped us get out of the tough economic times after 911 and we are providing the same thing this year. Just look at the impact mortgages have done this year vs any other year to our overall GDP (Gross Domestic Product). Now is the time to act as true representatives of what is ultimately best for our nation in the LONG run not just another governmental change that is reacting to something from years past and quite honestly, just isn't how things are today. We, as an industry, have already made changes corrective measures. It is definitely harder to get financing today than it ever has been before in the history of mortgage lending. I understand you are trying to make things more evident to the consumer and even out the playing field for them, but quite honestly - it already is. Have you personally tried to get a mortgage lately? If you haven't then I say you should be required before you recommend any new changes to our financial markets to PERSONALLY get a mortgage before you make changes that will impact every single homeowner in America. You'll know instantly why people like myself are so important to your success in buying or selling a home!!! There are fewer people in my industry than there were 20 yrs ago, homeowners need and want experienced people handling there mortgage loan(s), they honestly could care less if I get paid more from one investor to another when I go sell my note to them. All that matters to the consumer is quality service at a fair price - the product is the product, in my business it is all about service and removing SRPs from the equation will devastate the industry to where the "good guys" in my industry will get out!!! We, investors, and you have eliminated the bad apples in the mortgage industry. Now is the time to do something by stabilizing our mortgage environment - not make it more difficult or nearly impossible for people to borrow money into future by allowing R-1366 become a law. Stop R-1366 in its tracks!