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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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It seems to me that all the proposals and changes in legislation have only been a benefit to larger banks and not consumers. By allowing full competition between banks and smaller mortgage brokers, you can allow homeowners greater options. Every piece of banking and mortgage legislation has essentially fallen in the favor of large banks, who quite nearly bankrupted the system to begin with. The HVCC has placed a strangle hold on the borrowers in requiring banks to order their own appraisals. Now, most do not even accept those appraisals from other institutions. So now, each time a client orders an appraisal, the fee for appraisals basically becomes a "non refundable" commitment to the borrower. The HERA laws definately fall within the favor of larger banks b/c they disclose ONCE what brokers have to disclose twice. Not to mention the length in days it takes for those disclosures to be distributed or read and retained by the borrower. On the Yield Spread Issue, the banks are already retaining a profit margin on each loan. It only makes sense that brokers get paid a higher profit margin for selling a higher interest rate. Taking away Yield Spread to brokers is equivalent to taking away car negotiations from auto dealers. There are prices to be negotiated. There are also some brokers and loan officers who serve their clients long after the transaction is simply closed. If you take away their incentives to do business the right way, you are simply encouraging the good loan officers to get out of the business because its simply NOT profitable to be a good and ethical loan officer who provides a valuable service to your clients.