

From: Mike Clark
Subject: Reg Z - Truth in Lending

Comments:

Date: Sep 22, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
Document ID: R-1366
Document Version: 1
Release Date: 07/23/2009
Name: Mike Clark
Affiliation:
Category of Affiliation: Other
Address:

City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

As a Realtor, I deal with various types of lenders during the process of buying and selling real estate. Over the years, I have noticed the many different programs that my clients were offered. These included government financing, private financing as well as conventional and non-conventional. In all of my previous transactions, the buyer of the home has been the party that selected the financing based on the buyer's choice and/or need. The buyer's choice was determined by many different equations. This was determined by interest rate, cost and the type of mortgages among other factors. Over the recent years, the buyer's choices or options have dwindled and they are now experiencing even fewer financing options. Some of these changes were due to market corrections, and some have been due to regulation changes. However, this proposal is going to limit the buyer's options to yet another level. It will eventually lead to higher costs for the buyer due to limiting the competition in the lending industry. This is all being done to "protect" the buyer/consumer. Limiting competition by regulation for only a part of the industry is not in the best interest of the buyer/consumer, nor is it fair to the industry in general. The banking industry, (which is not being regulated by this supposed change), is helping to write the regulation and will in essence be destroying their competition. They support this proposal whole heartedly. Why wouldn't they, less competition means higher profit margins. Especially if this is done in the name of "helping" the consumer. This type of logic is the same as having the fox standing guard over the chicken coup. A fool and his money are soon parted, especially if there is no other option for the fool. If this proposal passes, we will all be the fool. This is a bad ideal and it stinks of corruption and fraud. Again, this proposal is being done in the name of "protecting the consumer." The only thing that is going to be protected with this proposal is the banking industry.