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Subject: Reg Z - Truth in Lending

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Comments:

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Proposal: Regulation Z - Truth in Lending - Home-Equity Lines of Credit (HELOC)  
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I am not sure how limiting how much a loan officer can make in compensation on a loan ensures that the consumer will get the best "deal" or understands the product he or she is getting. Increasing the number of disclosures that the consumer signs is not the answer to what ails the banking industry. Many mortgage brokers are not the perpetrators of this mess. Removing yield spread premium from the loan business is more hurtful to the consumer than the powers that be realize. How so? 1. Yield spread premium is used everyday to help pay so of a homebuyers or home refinancers closing costs. 2. Not every consumer fits into the same cookie cutter box. Some home buyers circumstances are more complex than other home buyers. The options are to offer a slightly higher interest rate or more points? One increases the up front cost (which some (most) home buyers don't have? The other increases the home buyers payment over the period the loan is open. The likelihood of this being 30 years is VERY small. Most homeowners have loans for 5-7 years. It would be nice if congress talked to people in the industry that work in the trenches daily to see how certain changes affect the consumer.