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Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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As a nation if we keep passing regulation without truly understanding the nature of what problems those changes will cause then we truly will never fix the problem. Example I am sure that HVCC seemed like a great idea on paper and when I place myself in the shoes of a law maker it all makes sense. The reality is for a good deal of time now good originator order appraisals and do no more than ask their appraiser for a value check not to steer the value of that appraisal. If we did such a thing the underwriter doing her job would not except that value nor would the appraisal review department. So what has happened? This has been a gateway for Appraisal Management company"s usually affiliated with the lender to charge the consumer money for something they contract out for less than half the cost to a less qualified appraiser. The consumer has now paid for an over priced product that can not be transferred to another lender if for some reason a guideline may be viewed a certain way. The bottom line is you the lawmaker has been dooped. You were sold something that does not benefit the consumer nor the industry and how does appraising an asset at their true value not protect the overall market? Because they person who did it isn"t qualified. The contracted that work and have been so conservative in their cost approach that they now have taken perfectly qualified borrowers out of the market place. MY POINT IS HOW SOMETHING CAN SEEM GOOD ON PAPER BUT HURTS PEOPLE MORE THAN IT HELPS. In regards to this Proposal. Taking away the YSP will not make brokers or bankers make less money. It destroys and eliminates competition in the mark place. First of all I have been on both side of the industry BANKER and BROKER. They can both be equally evil or good. The only difference is that when banking loans you do not have to disclose YSP nor Discount points. So usually I averaged points per transaction working in an A paper bank. As a broker you do have to disclose the YSP and you can not charge a discount fee unless you really are buying the rate down for the client. SO if bankers do not have by law have to disclose their YSP and brokers do then what are you doing when you eliminate the ability to aggregate YSP? The answer is

you have eliminated the broker and why? Because you have taken away their ability to reduce fees to by cover closing cost. Example is I offer a client on a 4.75% on a 30 year fixed today at 1 point cost. I have to call it an Origination cost because a banker can mask it as a discount cost but I have to be truthful. If the client says to me I don't want points then I say to them ok we can offer you a 5.0% rate at no points. The banker would do the same because you have no regulation that blocks him from offering no fee loans. Your Proposal effects the industry in a very harmful way. You have now effected the broker that he can not offer Low to No fee loans!!! Every truly great broker will go work for the banks where rates are normally higher and really effect the consumer. I really have all due respect for you people that bare this burden of all the changes that have to be made. You almost have to become an expert in every field and every side will always have a point to be made. Right now the bankers are hoping this policy will take effect so they have less competition and they can raise their interest rates because of less competition. I have dealt with all the changes that have taken place from new TILA to HVCC and do so with a smile. I do great loans for great people and love what I do for a living. My comment is very vanilla and easy to understand. With the new TILA changes you already cover this problem anyways so please no more overlapping policy. Promote jobs not eliminate them. The bad apples banker of brokers are gone. Loans are being done as they should be now and have been for sometime. Thank-you, Joshua Silva