

From: Cindy Anderson
Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Name: Cindy Anderson
Affiliation:
Category of Affiliation:
Address:

City:
State:
Country:
Zip:
PostalCode:

Comments:

Accountability, the state of the current economy, and current government leadership need to be considered regarding this proposal. The mortgage industry has had it's shake down, the undesirables for the most part have closed, been bailed out, or otherwise punished. Let's not forget the responsibility of consumers who used the excuse that they were not properly informed, so they leveraged tremendous debt, against their most important asset. A little post depression lesson teaches us that is not how to manage money in general. Our government could use the same advice, however, the mistakes of the past have created this deficit, and there is only talk of creating more. Giving it away is not saving. The banking and mortgage industry need not be the scapegoat any longer. Continue looking at all sectors like the auto companies and big business, while helping them reform. It is key to fully understand the business, rather than make pot shot legislation. That is no different that shooting a dart at a dartboard. It is also unconstitutional to limit a salesperson's income, or anyone's income. Regarding income, let's not forget the amount of taxes we in the profession pay! If the government regulates this commission structure, then we aren't a democracy at all. If you were to take a forum of people who are in the mortgage industry today, you'd find that what's left is a group of professionals that truly enjoy the business, love homes and real estate, like helping people and have close relationships with realtors. This is what drives the economy. Finally, and this goes back to understanding the industry, the average consumer these days are so savvy, that they are well aware of what the going "rate" and negotiate "closing costs" in their loans, or they will go elsewhere. Most good originators do more volume of loans, for not much over 1%, and get tons of referrals for shopping the market for the best rates and terms. We educate people to pay off their mortgage more quickly, shorten their term, and advise them that they need to know their plans for staying in the home. That is the key to structuring a loan, whether the

fee is in the form of origination or ysp. Anyone thinking of taking away ysp does not understand how to structure a loan or what role the daily market and rates play. You should poll a large forum of the people that are in the trenches that do know, not just a group of politicians and special interests before you take away the ability for the consumer to have a choice. Brokers are key to giving consumers that choice. And as far as the banks go, if there was no ysp, there wouldn't be any "no closing costs loans" and we'd be right back to charging a fair fee for doing the loan, except the consumer would have to pay this fair fee up front without having the ysp option. Once again, it just comes back to understanding the industry and freedom of choice. Full disclosure, freedom of choice. No ysp, larger loan costs, less options and lack of choice. This legislation would be passing on higher costs to consumers.