

From: Ronald J Smith
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: Ronald J Smith
Affiliation:
Category of Affiliation:
Address:

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

Comments:

It is interesting to me if we are trying to make it easier for the consumer to shop loans, why is the playing field not level? Do we think a consumer can differentiate and understand the differences between a Mortgage banker, Mortgage broker, or a credit union (most of which broker loans)? I do not think so. I believe they do not want a loan, but the byproduct of what that loan will give them (purchase of a home, lower payments, consolidate debt)so they will go to where they are either comfortable or to who can get them what they want. If this is the case and like all industries there are good and bad players. Why would a consumer go to a mortgage broker? Multiple reasons, they are many times given more personal service, the banks (where the brokers are getting the money) have retail outlets also and also have a cost for doing business (like all companies) and subsequently mark up the cost of money to their retail customers. So are you saying if someone purchases an item (in this case money) for a wholesale cost and sells it to a consumer for retail (like the bank is doing, and many time less then the retail bank) then that company is not entitled to a profit. Is not that the basis for our entire economic society? Please take the time to learn how the banks actually work and do not eliminate the yeild spread premium allowed to wholes customers (brokers) who are actually putting that money to market cheaper that you could walk into the same bank and get it retail. p.s. HUD is in the process of changing the Truth in Lending Disclosures and no where on the Good Faith Estimate does it total the numbers for the consumer. That does not make it easier for our customers. Could that please get fixed too?