

From: Christopher Sotirakopoulos
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Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Name: Christopher S Sotirakopoulos
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

The Federal Reserve proposal seeks to ban "compensation based upon rate". What that means is no more rate-based, indirect compensation from lenders to originators.....which means higher direct compensation, in the form of increased points and fees charged to the consumer. In short, the "zero closing cost mortgage" will no longer be an option. Further, I'm predicting the "zero point mortgage" will be history inside the next 12-24 months, to be replaced by a 2 point mortgage. So, if you are looking to borrow \$250,000 on a loan, for either a new purchase or new refinance, be prepared for the standard cost to rise to somewhere in the range of 2 points upfront (\$5000), plus the \$2000 normal tab for appraisal, title, and lender fees. This will only hurt the consumer in closing costs!!