

From: Tanya Gills-Wiggins
Subject: Reg Z - Truth in Lending

Comments:

Please do not eliminate par plus pricing for brokers. I understand the concern with it being misused but the solutions that keep coming up to "protect" the consumer is only further hurting them. The answer? GO AFTER THE ABUSERS. Par plus pricing allows us to help people who are short on cash. Especially now with people needing all the help they can get with the refinances in particular in areas where the values have decreased. Most have used all their available funds to stay afloat and do not have excess money to pay for shortages on refinances Streamlines will suffer with reduced or "no closing costs". Also costs of the broker is sometimes rolled in. The underwriting fee, doc prep fee, overnight charges, automated underwriting, 4506, rapid reporting, credit, 3rd party processing fees, etc that the broker gets charged even though the borrow cannot or may not be charged in some cases. There is indeed abuse in this industry but all the new law and regulations are getting us further and further in the hole. All the while it is not eliminating the abusers. A classic example is our welfare system. It is a wonderful and necessary concept however I see every day people abusing the system. So if we follow the same direction with the welfare system as we are with the mortgage industry, where would our welfare system be and how much would still remain?

All the attention in on the broker. ONLY because the broker is the only one who has to DISCLOSE YSP. Lenders do NOT. If it is going to be insisted these new regulations go into effect "to protect the consumer" then require lenders to also list the YSP. See how far it gets then. But we know the answer to that. The lenders are the big boys who has the most "influence" in our laws and regulations while the broker is the small guy and more visible.

I feel there is ignorance in the law making process. It is like someone who has never been poor handling the welfare system. You don't really see how it is working on the same level as the people utilizing the system. You can't. If you really want to help, work with the people it affects the most and LEARN all aspects of it. The good and the bad. Only then can you really create laws that is beneficial.

Have A Great Day

Tanya Gills