

From: Power Financial Corporation, Terrence Power
Subject: Reg Z - Truth in Lending

Comments:

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I am a CPA and mortgage broker holding licenses in the state of Colorado. The new regulation Z waiting periods are causing a ton of confusion in residential mortgage industry. While I agree with the proposition that consumers should be informed and allowed to attempt to digest information, the premise that they will understand any of the data sent to them is, in the majority of cases, not true. I ask people every day to define the "APR" on a loan and I have yet to receive one single answer that even comes close to being the right one. We can no longer "float down" a loan the day before closing to take advantage of lower rates. Banks are interpreting any change to the closing documents (such as adding a corrected email address) as a change subject to Reg Z and the cooling off periods. There needs to be some test of reasonableness to allow consumers to take advantage of lower rates, better terms, and faster closings if it is to their advantage. I cannot imagine a situation where a seller of a property would agree to extension of time to close so that the borrower/buyer could take another week to digest a better rate or terms. In taxation there was always the argument of substance over form. The application of these rules needs a similar methodology. Consumers will be hurt, as the time and expense of closing a loan increases. I know that I will be charging more for my services, in light of the additional time and efforts required to comply, even when such time and efforts are spent on behalf of the customer's best interests. This business has gotten way too complicated for the "sales" oriented mentalities of the past, and those of us left need to have relief in order to continue on in a healthy and profitable fashion. Thank you.