

From: CIB Funding, Kenneth Daniels

Subject: Reg Z - Truth in Lending

Comments:

What has been proposed is simply over regulation of this industry. I adamantly oppose what has been proposed.

While working within the Capital Mortgage Division of Lehman Bros. I witnessed how relaxed the regulations were such that at 7% "first payment default" rate for the mortgage backed securities pools, Wall Street firms were encouraged by GSEs to lend regardless of the alarming signs. Now the pendulum is swinging way to the other side by over regulating the industry and putting the recent financial melt down blame on loan originators.

Non-banking wholesale originators play a crucial role in providing residential financing. The retail banking lenders, in today's aftermath of the 2008 financial melt down, cannot handle the demand. The few surviving banks, rescued by TARP money, will become too powerful for their own good at public's expense.

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