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Subject: Reg Z - Truth in Lending

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Comments:

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I appreciate the opportunity to comment on the proposed amendment of Regulation Z. Twenty six years ago after obtaining a BBA in Finance and Marketing I moved to Dallas, TX and started in the mortgage banking profession. Over the years I have been able to use my expertise to help potential home owners through the stressful process of applying and getting approved for mortgage financing. Most often there is a great deal of time spent on these applications to ensure our customers get the extra attention they need which allows them to close successfully and provide a home for their family. Recently this process has gotten much harder and it now requires even more time and expertise to guide the customer successfully. If the proposed rule prevents my employer from paying adequate compensation for these loans, loan officers will be less inclined to take on more complex loan applications and instead will focus on easier loans that take much less time. The unfortunate consequence of this would be to make it harder for many deserving customers to obtain a mortgage loan, particularly those in underserved communities and or small business owners. This change would also make it less likely for young professionals to choose mortgage banking as a career, there again hurting the customer. If the Board adopts the proposed restrictions on loan originator compensation, the limits should only apply to the riskier products that caused the subprime meltdown. From twenty six years of experience I have witnessed that conventional prime products do not create the same potential for abuse and were not a source of the problem. Therefore they should be excluded from any restrictions on compensation and allow for pricing discretion. Also YSP should not be eliminated on these loans as it would make it much harder to pay FNMA pricing adjustments which have recently increased substantially. Without YSP buyers would have to pay in cash at closing and this alone would make it unaffordable for many. The Board should allow the new Safe Act requirements time to work before making unprecedented changes to an industry that has

operated successfully for decades prior to the origination of subprime mortgages. Laws should change that would prevent the existence of any mortgage product that does not meet prudent underwriting guidelines. Thank you for the opportunity to comment on the proposed rule. Respectfully submitted, Louis Sedita