From: Eric M Rothberg

Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Comments:

Regulation Z; Docket No. R-1366 is legislation from the Federal Reserve Board of Governors and is currently in the comment period. One of the predictable outcomes of the residential lending environment over the past decade has been the eventual tightening of underwriting guidelines, government regulation and investor scrutiny. No one can refute that our industry has undergone a complete overhaul. 358 lending institutions that existed in 2006 are now defunct. The overwhelming majority that remain provide stable products, acceptable service and full disclosure to their clients, the public at large. Since 2009:
· HVCC has addressed irregularities and fraud in the appraisal process, conventional and FHA · HOEPA has addressed lenders underwriting practices, prepayment penalties, late fees, etc · HERA prevents excessive collection of fees, APR changes (bait and switch) and disclosure timing · RESPA changes have enforced a uniform good faith estimate (3 pages)
with tight tolerances The pendulum has swung. Unfortunately, as is most often the case, it is still swinging to the point of detriment to the consumer. As Docket No. R-1366 is considered, understand that the effects of severely limiting or altering compensation for originators will also alter the product and service a client receives. Caveat emptor applies here, as in most business avenues. It's time to remember "buyer beware;" you do get what you pay for. Throughout history, anytime a good or service is commoditized, that good or service suffers in quality. By limiting compensation so severely that the best originators are forced into alternate careers, the lending industry will inevitably seek to reduce overhead, reduce staff salaries, limit service and cut corners in an effort to make any fair profit. One need only look as far as the airline industry to see a living example of what happens when a service is commoditized. The offenders of the past 20 years are out of the lending business, either by force or by choice. Those that remain have adapted,

modified, improved or were executing proper business practices to begin with. Let's not further punish the banks and lenders who got it right. Enough has been done. As any prudent leader knows, start with small corrections to a process and observe the outcome before making additional ones. This is how you steer a ship, fly an airplane, run a company, raise a family or lead a nation. Unfortunately, committees often forget this rule. Whether from negligence or an effort to gain favor with constituents or media, the violators of this most important principle do more damage than good and forever tarnish their legacy. Small corrections for now.please. Sincerely, Eric M. Rothberg