

From: Dan Flavin
Subject: Reg Z - Truth in Lending

Comments:

Date: Dec 18, 2009

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

Document ID: R-1366

Document Version: 1

Release Date: 07/23/2009

Name: Dan Flavin

Affiliation:

Category of Affiliation:

Address:

City:

State:

Country:

Zip:

PostalCode:

Comments:

I would like to address the inability of a consumer to finance closing costs when they use a Mortgage Broker. I am a small business owner and a Mortgage Broker. The majority of loans I close are purchases and in the majority of cases, the consumer chooses to deflect some or all of the closing costs by financing them by choosing a higher interest rate. They will remain allowed to do so if they select a mortgage lender, but not if they select a Mortgage Broker. First of all it creates an uneven playing field and eliminates competition, which immediately hurts consumers. The second thing is that most consumers don't have enough money to pay all closing costs AND the down payment. By allowing them to finance some or all of their closing costs, it allows them purchase and refinance homes to improve their financial situations. On a selfish note, if the rule stays in place, my small business will shut down (I employ 22 people) because I can no longer remain competitive with lenders. I implore you to allow the consumers to finance their closing costs by selecting a higher rate and allowing brokers to receive yield spread premiums. Dan Flavin