

From: Robert H. Gibson
Subject: Reg Z - Truth in Lending

Comments:

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

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RE: Docket No. R-1366 I am a small business man, Mortgage Broker, and oppose the Regulation Z - Truth in Lending - Closed-end Mortgages [R-1366]. All your regulations have made it very difficult for me to survive in my business and to truly help my clients in purchasing homes and in some cases not to lose their home. You don't need to keep changing everything just go after the real people who caused this problem CONGRESS and big banks. PROBLEM: The Proposed Rule, as written with regards to restrictions on compensation, will require consumers to pay for services rendered in connection with obtaining a loan either all up front or all on the back end through the rate. This will severely limit a consumer's choice in deciding how to finance a mortgage loan and eliminate their ability to choose to finance only some or all of their costs. The Board fails to recognize the potential consequences that have arisen through requirements and limitations proposed in the rule, specifically, unintended consequences that will hinder a consumer's right to decide the most suitable way to buy a home. The proposed rule will remove interim rate financing options for consumers, potentially limiting their ability to obtain loans or forcing them to take on more debt over time. For example, if a consumer desires (or is required in order to qualify) to pay some up front fees to reduce the overall costs to be financed over the life of the loan and hence partially reduce their monthly payment (as opposed to financing any costs through the rate); they would not be allowed to do so. Instead, if they do not have enough cash to cover all of the costs up front, (or simply want to preserve some cash on hand), their only choice would be to finance all of the costs through the back end at a higher interest rate, higher payment and overall higher debt. This may be my last letter because you guys are regulating me into bankruptcy.