

From: Teresa L. Buckman
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

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Dear Sirs/Madams of the Federal Reserve, I have spent the last 25 years as a mortgage lending professional. I am currently a VP of a Mortgage Banker, based in California. While I had a front row seat to the abuses the bad players perpetrated on the American public, I have observed that these individuals have left the business for the most part. The individuals with the most egregious behavior were in for the quick dollar and they took advantage of the public using exotic, complicated loan programs that made it easy to hide compensation overages. I am speaking of the pay option, neg am, products that were prevalent in 2005-2007. Those products are long gone and the days of easy earnings are gone with them. Never have mortgage professionals worked so hard to ensure compliance and proper packaging which today's lending environment demand for so little, then we do today. This is not a complaint, as I welcome the changes we have seen in the last two years. I believe in thoroughly qualifying borrowers for their loans and property ensuring they understand their loan terms and fees. The mortgage professionals that are still operating do not mind, in fact, they welcome hard work for an honest, negotiated and property disclosed compensation. I am now surrounded by my true mortgage professional colleagues to weather the legislative storm coming at us, directed to correct the behavior of people that have already left our business. We mortgage professionals use YSP to offset the consumers closing costs and to allow consumers with depleted equity to still avail themselves of lower interest rates for their families without coming out of pocket to close their loans. We use YSP to help first time buyers, low on cash to close, but able to pay a slightly higher mortgage payment get their foot in the door to their first home. I firmly believe that the new Good Faith Estimate will keep loan officer compensation at a level that works for everyone and will keep mortgage professionals in competition with one another to give the right level of service and expertise for the right cost. The vanilla loan products of today combined with the new Good Faith Estimate will make it virtually impossible to trick the consumer into paying overages that are incommensurate with the service and expertise they are receiving. I urge you not to ban YSP for the sake of the American consumer. Removing it will

take important financing options away from the consumer. Additionally, I urge you not to put a flat fee loan originator compensation plan in place. As a mid tier mortgage banking firm, this would have very negative impact on our ability to do business in the community. The removal of mid sized mortgage bankers and professional mortgage brokers from the industry will result in a cartel of three banks. I find it hard to imagine how this would help the consumer in a time when prudent and responsible lending has never been needed more. I urge you to consider giving the flurry of new legislative changes a chance to work. I fear the unintended consequence of too much heavy handed regulation will result in many negative consequences to the consumer and their ability to shop for the right loan and the right loan advisor and will also cripple and perhaps destroy many mid sized businesses that seek to offer valuable lending services at a fair price. Respectfully, Teresa L. Buckman