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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:

I fully understand the intent of the board with this new regulation is to make the mortgage process more transparent for the consumer. The issue with yield spread premiums is something that has raised its head countless times this decade, and in some instances rightfully so. The comments by the board that the current disclosures are not sufficient for the consumer to understand is nonsense. This industry, as it stands today, is probably the MOST transparent industry in the financial sector. The past few years the industry has gone through a self cleansing with the number of people leaving as well as the new licensing requirements for loan officers. For the board to state that they believe the consumer does not understand the pay scale or loan officer compensation is doing a disservice to the consumer. We are in a society where information is available literally at a touch of a button and a consumer can shop around from the comfort of their homes. On a daily basis we quote rates to customers in hopes they will find our rates attractive and service to be excellent. If, like the board said, we are steering borrowers to higher cost loans, then I have yet to see this. We are in a highly competitive field. If I were to quote a rate to a customer, thinking or hoping to make a huge commission, then I would lose credibility and most likely the customer. The board also stated that they had surveyed consumers as to their confusion with the process. Where was this sampling done, because in the REAL WORLD mostly all the customers have either talked to another institution before they called you or tell they will be calling around. In fact we encourage them to call around because we know our rates are low and very competitive. You simply can no longer steer a customer into a high cost loan with all the info available to them. In fact the current process in my experience, is having the opposite effect. Customers are savvy and know they can shop to try and get a better rate. This happens way more than the opposite of a customer getting a higher rate.

Again, the excuse by the board that this is confusing based on "Their sampling" is simply not true and does not apply to the real world. The consequences of enacting this new regulation will have the opposite desired effect it will DECREASE competition, artificially inflate rates and costs for loans.