

From: Thomas J Valyo
Subject: Reg Z - Truth in Lending

Comments:

Date: Dec 14, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
Document ID: R-1366
Document Version: 1
Release Date: 07/23/2009
Name: Thomas J Valyo
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

Protecting consumers is admirable and necessary. One of the best ways to insure such protections is to afford them choices. Choice breeds competition and we should not eradicate those choices because of fears the customer may be charged too much. Overcharging happens everyday in America, we have choices, we can shop, negotiate, or simply, do not buy or utilize a particular service. Where should I buy my next loaf of bread or next pair of jeans or my electricity service from- am I being overcharged? Should their profit margins be curtailed, or the way they do business changed as to become so time consuming and costly that they choose not provide services or sell products? When choice disappears prices will go up and service will go down- we have seen it in many sectors, time and again. Flat fees violate the very essence of who we are as a people- What about doctors, teachers, small business men- flat fees for their services as well? Disclosure is reasonable even though most purveyors of goods and services never provide compensation information. When I buy insurance or food or clothes I never understand the compensation or what a fair mark up is- I simply compare and choose the best option for me. This works and has served us well- do not fix what is not broken, fix bad brokers, unscrupulous lenders and anyone else not doing things the right way. You don't fix a problem by fixing someone's compensation but rather through careful examination of the problem(s). Consumers are not stupid - we can not have big banks and big government making these types of decisions that will only enhance and fatten the pockets of those left standing. I employ 14 people who make a living here and am appalled at the direction of this industry. We as brokers will be more educated (required by law/licensing) and more restricted (MDIA, HVCC, GFE, RESPA) by recent changes than our banker counterparts. I believe we are better at our jobs, work harder to find our business and more in touch with the mortgage industry. Liability, complexity, and time issues, as a result of the passage of this part of reg.z will drive many small business people out of the mortgage field. Customers will not be

better off with the disappearance of the broker-yet, that is a real risk. This small company in South Windsor CT closes 100 Million in loan volume annually and employs some of the finest loan officers you would find anywhere. I believe the consumer is very well served by us and in many cases rates lower than local institutions are offered. YSP affords us flexibility and is used for purposes beyond compensation-i.e.,-closing cost credits, lower rates, etc.. Again the consumer can go anywhere-they are not bound to us-just like any other business in the country. Make sure we do a good job with what we have rather than overhaul this piece of our business. There are no odd products available anymore and regulation largely insures less fraud and more quality. Compensation, again, is not the issue to focus on.

Thank you