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Comments:

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

The proposed changes to Reg Z will limit the consumers' ability to choose financing programs that will best work for them. It will increase the cost of borrowing by setting a standard pricing model for borrowers with different risk criteria, reduce competition between banks and mortgage brokers by standardizing interest rate pricing, giving banks the power to price loans at whatever profit margin they want without any consumer knowledge of the money made on them. When the banks sell the loans to the GSE's the consumer has no control or knowledge on what types of premiums the GSE's or other investment companies pay for their loans. The change in Reg Z will give the banks more power to be less competitive and make more money of each consumer. (This legislation supports the idea that it is still OK for corporations to continue to profit off consumers because the corporations' profits are dividends. An individual broker who makes a profit to operate their business and feed a family is considered bad. ) Mortgage Brokers and Mortgage Banks keep financing competitive by giving consumers an open market to shop for loans. The change in REG Z will limit the brokers and bankers ability to shop for loans for their clients also make it more expensive to do business. Brokers will have to pass this on to their borrowers. The reason a lot of brokers can keep the market competitive is that a broker can work with much less overhead and provide superior personalized service than the institutionalized banks. In conclusion the proposed changes will not benefit the consumers only make it harder for them to obtain competitive financing