

From: Verdeo Funding, Dean Goold
Subject: Reg Z - Truth in Lending

Comments:

Date: Dec 17, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
Document ID: R-1366
Document Version: 1
Release Date: 07/23/2009
Name: Dean Goold
Affiliation: Verdeo Funding
Category of Affiliation:
Address:

City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

I have been in the mortgage business for over 7 years and have worked very hard to provide a great service to my borrowers by providing great education and a very hands on approach to ensure that they understand the entire process. The proposal for the new changes Reg Z have me very concerned for our industry, the consumers and the economy as a whole. The ability of the lender to provide YSP allows the originator to give the borrowers many options for how they want their loan structured to best fit their needs. The proposed changes will stifle this flexibility and provide a one size fits all approach to mortgage lending. There are some serious flaws with this. Obtaining a mortgage is a very important process for the consumer and they should have the ability to shop around and work with the advisor that provides the best option for the consumer. For example, if the borrower is buying a property that they only plan to have for 1-2 years, they do not want to pay upfront costs as they will never recover these costs in 12-24 months. Therefore, the best option would be a NO COST loan for the consumer. Without YSP, there is no way to provide this option, thus this rule is NOT PROTECTING the consumer, it is hurting them by limiting their options and the ability to work with a professional. This is not a one size fits all industry and every person that walks into my office has different goals and desires for their mortgage. This change in legislation has many other flaws in that it will promote the originator to use the lender that pays the highest flat fee, not the one that is providing the best rate for the client. Once again, this is not beneficial to the consumer at all. The mortgage market is a very competitive market and this is what keeps the cost and rates low for the consumers. If you eliminate the competition by making all originators earn the same amount per loan, then eventually you are going to eliminate competition you will see rates and fees increase. The rates will be higher and the most qualified professionals in the industry that are the best

at their job will most likely leave the industry because mortgages will just become a commodity. This rule change will drive small businesses out of business as you will eliminate the need for professionals to work with borrowers as every person will offer the same loan, then this takes no thought or skill to design the loan to fit the consumers needs. You will see many small businesses close down, further raising unemployment, you will see competition disappear and you will see monopolies in the mortgage industry. This will not be better for the consumer AT ALL and this is not the premise that our FREE MARKET has been built on. The lack of competition is going to cause fees to increase, rates to increase and service levels to decrease which will lead to more lengthy, difficult processes for borrowers to borrow money. There is not any good that will come out of this rule change, I will assure you of this. You can ask any person that works in this business on a daily basis how much damage this will do to the consumer, the economy and the competition in the industry. I am tired of all of these proposals with UNINTENDED CONSEQUENCES that have already hurt the buyers. The HVCC is a perfect example of a rule change that has increased appraisal fees, slowed down turn times in processing loans, hurt the borrowers ability to shop around for the best deal and provided NO BENEFIT to the buyer or the real estate market as a whole. Please feel free to contact me with any questions or further insight on these regulatory changes as the GOOD people in the industry are being forced out and the consumers will be the ones to pay in the long run, unfortunately!