

From: Kenica Financial Corporation, Paul Randall

Subject: Reg Z - Truth in Lending

Comments:

I have been a mortgage broker for over 25 years. Our industry has grown dramatically over that period of time because we have offered the consumer flexibility and choice that was never available when a few large lenders controlled the market. The proposed rules limiting the options for the consumer to pay for his/her closing costs either all through back end by adding to the rate or all through up front cash payments severely restricts the very flexibility and choice that consumers want.

Borrowers' needs have never fit neatly into just two opposing options. Borrowers want to balance the benefits of paying costs up front to lower the rate and paying less up front knowing the rate will be higher. Where that balance is achieved varies from borrower to borrower. It should always be their choice as to how much they wish to pay or not pay up front. It should not be mandated to them. Consumers are capable of making their own decisions as long as the options are fully disclosed and explained. I thought this was the primary purpose of the changes in both Regulation Z and Regulation X. Give the consumer all the information, accurately and clearly, and let them decide.

Open and fair competition is always best for the consumer. Restricting mortgage brokers' options restricts the choices for the consumer and the consumer loses.

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