

From: Justin G Bailey
Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Dear Sir or Madam, Regulation Z - Truth in Lending - Closed-end Mortgages [R-1366] is a detriment to an open market that offers opportunity. I have taken the time review the reasons why this change in the market will adversely affect lending and the free market to competition where the consumer ultimately loses out. The current market utilizes yield spread amongst other avenues to have greater flexibility to suit the needs of the consumer. Comparing various lender offerings for loan products enables the borrower to decipher what structure best meets their financial situation in alignment with lending to meet their home ownership goals. By tightening the reins on an already transparent and restricted market one ceases to allow freedoms that enable the consumer. If we take a lending model like that of VA loans, one can determine from the success of the program that the system in effect works very well. The lending system is efficient and the default rate of such a lending system should be honored. VA is the same in effect as all other avenues of financing where the borrower can structure a loan to meet their financial objectives and encompass what is the best program for their needs. By eliminating the flexibility we set sail to a lending environment similar to that of socialism ideals where this is not American in nature nor can the work of an originator be clearly defined to fit the bill of the theory. The steps have already been taken to repair the lending environment from the previous age of exotic loan programs that utilized non disclosure of income and assets as a means to become more competitive. All of which were a result to meet the demand of society. Today's transparent "full doc" lending environment is not going to benefit from compensation restraints, it will only suffer. Not all employments are equal, where making lending equal will only drive the talent from the industry and further the decline of our nation's liquidity. Sincerely hoping,
Justin Bailey