

From: Robert S Anrud
Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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My name is Rob Anrud and I began my career in the mortgage industry in 1986 with Cascade Savings and Loan in. Since then I've worked with Washington Mutual, Eagle-Home Mortgage, Bank of America, Chase and PRMG. I've seen many changes in this industry, some for the good, but none as potentially harmful to the consumer as these proposed changes to Regulation Z. And I stress the potential harm not to the industry but to the consumer and to consumer choices. After over 20 years in the Mortgage Lending business I do see that we have made some movement in the right direction with many of the Legislative efforts but this is one that is not going help the consumer. This will eliminate competition in the market place and in the end cost consumers more money to obtain their financing. Brokers will be limited with their choice of loan placement and I believe will tend to steer their customers toward Correspondent Relationships with the lenders that pay them a higher flat fee. This will also cause many Third-Party Originators to leave the industry all together, further reducing competition and the possibility for the consumer to get a fair loan. 50% of the homes now being purchased are from first-time home buyers who are trying to save every dime they have for closing costs and down payment. This will no longer allow the mortgage broker to offset some of the fees to help make homes more affordable and borrowers to keep some money as reserves. YSP has always helped the lower income borrowers realize the dream of home ownership. A flat fee for loans would cause areas with lower loan amounts to be penalized with higher costs and possibly discourage lenders from lending. As we continue to eliminate the competition it would certainly lead to mortgage lending becoming less competitive and more controlled by the handful of large banks with a national presence and less of an interest in benefiting competition in general and underserved communities in particular. I would recommend postponing any changes in Regulation Z for at least a year, to January 1st 2011, to allow the mortgage industry and housing

market to recover further and allow for perspective to consider how these proposed changes could have a negative affect on or complicate any kind of recovery. Thanks for your consideration. --Rob Anrud,