

From: Homestate Mortgage , John Carman
Subject: Reg Z - Truth in Lending

Comments:

Good job, I'll send you mine.

From: John Carman
Sent: Wednesday, December 23, 2009 11:28 AM
To:
Cc: RGS
Subject: Docket Number R-1366

Dear ladies and Gentleman,

I have worked in the banking and mortgage lending industry for 38 years. I currently own and manage a small mortgage banking company in Anchorage, Alaska. During the last 38 years I have seen many many people acquire homes and develop large equities and other benefits from those acquisitions. In many cases I have helped three generations in the same family acquire their homes. I love running in to these individuals at the grocery store or anywhere else that I see them because I feel good about helping them in what is for most of them the most important acquisition they will make in their life time.

I have also seen abuses in the loan process that have been perpetuated by a few originators without integrity - and I have seen countless regulatory changes that have been made to curb those abuses.

My observations are - the regulatory process almost never curbs abuse by those without integrity - but they do cause countless hours and attorney fees to those with integrity while they try to comply with poorly worded and framed regulations with unintended consequences. The consumer is never better off because the "new - better and more clear " disclosures are never better or more clear - they are just longer and more confusing. HUD used to say that the very best tool that anyone could use to compare interest rates was the APR. In fact it is illegal to even mention an interest rate or even a monthly payment in an advertisement if we do not include an APR. HUDS new and improved Good Faith Estimate does not include an APR. It also does not include a total monthly payment - or a total cash to close number. Two of the most important numbers for the average consumer. Yet HUD through some accounting miracle has "estimated" that it will save the average consumer \$700 on their mortgage loan. I don't know how they manufactured this estimate but it makes no sense to me.

The market and the economy have already punished most of the bad apples in our industry -they are no longer in business. This intended regulation is not only too late - it is misdirected and ill conceived. Virtually all of the most knowledgeable originators that I know are paid on commission. Just as Realtors are paid on commission. It is because of this that they are willing to work nights and weekends and however long it takes to get consumers in to a home. These are dedicated and hard working individuals and you really need to leave their compensation to the market place not to federal regulators.

John Carman
Homestate Mortgage