

From: Jerry D Becker
Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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Comments:

To: Federal Reserve Board Please let me introduce myself, My name is Jerry Becker. I have been a Mortgage Broker since 1989 and I have been in the mortgage industry since 1964. I am the President of: Mortgage Market, Inc., The Mortgage Shop, Inc., and Combined Realty. I am a founding director and past President of: California Association of Mortgage Brokers, Eastbay Association of Mortgage Brokers and have served on the Board of Directors of the National Association and acted as an advisor to the State of California Real Estate Commissioner. Now..... that being said, I have enjoyed this industry tremendously for one specific reason: We help borrowers find the best rate and program for them at no additional cost. Loan "hunting" can be very complex and it is very competitive which through competition can keep the interest and costs lower for the consumer. If a consumer wishes to obtain a mortgage loan and goes to a bank or mortgage banker, he is subject to only what that institution has to offer and it would only be by accident that it were the best. If a consumer has a mortgage broker working as his agent, the mortgage broker has a fiduciary agency relationship with the borrower to find the best deal for their applicants. I have read your proposed changes to Reg Z and I was literally shocked that what you are trying to accomplish and what you were doing to a good industry and the consumer were so far apart, for example: If you take away rebates to the broker/borrower that are paid for by an increase in the interest rate.....We can no longer assist people who lack the funds to close many loans or purchase homes. If a borrower would like to pay commissions, closing costs, home repairs etc by increasing their interest rate..... Why would you prevent that? I have refinanced thousands of loans at "no points or no closing costs or both". What you are proposing would force the borrower to increase the loan (not the interest rate) to pay for said costs but.. what if the equity was short or they could not do so on a purchase loan. Makes no sense! I would like nothing more than to spend some time at the table with you working out some programs that could prevent consumer abuse (overcharging) and some simple disclosures. I composed the 883 DRE California form in the early 90's and it is used to this date in this state. In the mid 90's Mortgage Brokers originated over 70% of all mortgage loans in the country.

Why..... because we work for the borrower not the lender. Sincerely, Jerry
Becker