From: Brenda Worthen

Subject: Reg Z - Truth in Lending

Comments:

Date: Dec 24, 2009

Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
Document ID: R-1366
Document Version: 1
Release Date: 07/23/2009
Name: Brenda Worthen
Affiliation:
Category of Affiliation:
Address:

City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

December 17, 2009 Jennifer J Johnson Secretary Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue, NW Washington, DC 20511 RE: Proposed changes to closed-end mortgage rules (Docket No. R-1366) Dear Ms. Johnson: I am a loan originator in Odessa, Texas. While I realize Odessa probably isn't a large recognized market, it is my home, and I feel compelled to comment on the proposed rule amending Regulation Z. I have over 25 years of lending experience and personally lost my job with a national lender because of the subprime mortgage debacle. Most of my experience has been with small to mid-sized institutions and after losing my employment with a large company, I searched to find the right sized institution that would allow me to do a good job for competitive pay. A part of doing "a good job" is providing attention to each customer, making sure the process is smooth, providing all extra attention necessary, and ensuring that the best available product is obtained. During my one year at a large institution, it became clear that their one size fits all approach was focused solely on volume and not on what was best for my client. My position is and has never been an "8-5" job. Many times my customers cannot take off work and this requires that I work evenings and weekends to make sure my clients understand the process and receive all available information. Many times my clients could not obtain financing if they didn't have the flexibility of meeting during odd hours. Our local economy is dependent on the oilfield. Many of my clients simply cannot take off work and also work on-site which can be miles from Odessa. In some cases, we need to charge a higher rate because of the extra work required. Also, sometimes I have to charge a higher rate to offset closing costs due to a customer's inability or desire to not bring additional funds to closing. Therefore, they choose to pay a higher interest rate because they want to become a homeowner and just do not have adequate funds. I have extensive experience and feel that I am an asset to this industry. I take my position seriously and am fair to all clients in pricing and my time. These changes could force me to pursue other employment and leave less experienced, order takers, in a position that should be specialized. The level of attention and knowledge that I am able to provide is not available at larger institutions that utilize a call center. These changes will give an unfair advantage to this type of lender and I do not feel is in the best interest of the consumer. If these changes were made solely to restrict commissions on riskier products, I would not be sending this letter. This rule, as written, could adversely affect potential homeowners that do not need the riskier subprime products. I believe loan officers will be less inclined to work for those that have more complex loan applications. In some cases, deserving customers would have a more difficult time obtaining financing and this could trickle down to affecting underserved communities. While some reform is probably needed, I think the SAFE Act requirements will significantly help stop past abuses. Time should be given to allow the SAFE Act to "clean up" that portion of the industry that needs it, before implementing loan originator compensation changes. I urge to reconsider these rules as written and apply them only to those loans that caused the meltdown of the mortgage industry. Thank you for your time and consideration of my comments. Sincerely, Brenda Worthen