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Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending - Closed-end Mortgages
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I write today with extreme concern for the American consumer. You may not be aware, but the Federal Reserve Board of Governors (Fed) is proposing a series of changes to Regulation Z (Reg Z) via Docket number R-1366. The most controversial topic relates to Loan Officer compensation. The Board has proposed prohibiting a lender from making payments to an originator, (directly or indirectly), based on loan terms and ALL loan officers would be affected under the proposal regardless of whether they are brokers or bankers. In theory the change is designed to protect clients from being steered towards risky and inappropriate mortgages by greedy and unscrupulous lenders. No one would argue that protecting consumers from steering is a good idea, but the problem is the proposed change will absolutely harm the very consumers it aims to "protect." Further complicating the matter is the role big banks are playing in the process. Friends, do you remember the monumental battle waged by NAR to keep big banks out of real estate sales? It is my strong opinion that the representatives of the major banks are SUPPORTIVE of regulating and limiting LO compensation across the board. This allows them to drive customers to their call-center, "one-size-fits-all" approach. If you like being able to work with top-notch mortgage originators who close loans on time and can help your clients navigate the loan process ,(especially in this lending environment), I urge you to speak up to let your voice be heard. The comment period will close on December 24 - this coming Thursday. You can comment directly to the Fed via any one of the methods listed below. Again, if this rule is adopted we can expect: ·Catastrophic slowing of economic recovery and an increasing glut of homes ·Reduced consumer choice and flexibility in structuring loans (no more adjusting the rate to pay for closing costs - that would be eliminated) ·Bank-run call centers with unskilled staff who are unable to handle tougher mortgages. Also, expect long and frustrating closing times on all of your transactions ·Mass exodus of high-quality, skilled mortgage professionals

because they can no longer earn an appropriate living -Elimination of competition on rates that will harm consumers We can not allow this to happen - it is time to stand up FOR the consumer - and this is NOT going to happen by implementing this action. Karen Y. Goodson