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Comments:

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I must first preface my comments by saying that my originations throughout my 20 year career have always been predicated upon the borrower's ability to repay, based upon my moral obligation and Christian duty to do unto others as I would have done to me. The requirement that a creditor or originator make a reasonable effort to assure the borrowers ability to repay is essential to good business for all parties involved, however the FRB must cease moving forward with implementation of this 474 page rule for the following reasons: 1. Loss of jurisdiction in July of 2011: promulgating policy that will be completed by another agency is inefficient and wasteful and will result in miscommunication and confusion. CFPB should develop and implement the policy from beginning to end. 2. The FRB has based its conclusions on areas of need on research conducted in 2006-2007. Multiple regulations have already been enacted, including most states adopting laws prohibiting "stated income" loans, HVCC-AIR, the 2010 GFE and the LO Compensation restrictions already implemented under Dodd-Frank. The FRB needs to update their data to determine if the already implemented rules have corrected the problem. 3. The single biggest barrier to consumer protection relative to mortgage transparency is the sheer volume of disclosures given to a consumer on a single mortgage transaction. **CREATING MORE DISCLOSURES IS ONLY GOING TO MAKE THE PROCESS MORE CONFUSING! THE AVERAGE CONSUMER CAN NOT POSSIBLY READ AND UNDERSTAND THE EXISTING RULES.** Allow me to provide some examples: The previous HUD Consumer Handbook - Settlement Cost Guide, rev July 1997 was a small 20 page brochure. The 2010 Version is 49 full 8.5 X 11 pages long. The Mortgage Disclosure Improvement Act Advance Fee Disclosure reads as follows: Truth In Lending Act - Regulation Z Subpart C §226.19 (a) Mortgage transactions subject to RESPA--(1)(i) Time of disclosures. In a mortgage transaction subject to the Real Estate Settlement Procedures Act (12 U.S.C. 2601 et seq.) that is secured by the consumer's dwelling, other than a home equity line of credit subject to § 226.5b or mortgage transaction subject to paragraph (a)(5) of this section, the creditor

shall make good faith estimates of the disclosures required by § 226.18 and shall deliver or place them in the mail not later than the third business day after the creditor receives the consumer's written application. (ii) Imposition of fees. Except as provided in paragraph (a)(1)(iii) of this section, neither a creditor nor any other person may impose a fee on a consumer in connection with the consumer's application for a mortgage transaction subject to paragraph (a)(1)(i) of this section before the consumer has received the disclosures required by paragraph (a)(1)(i) of this section. If the disclosures are mailed to the consumer, the consumer is considered to have received them three business days after they are mailed. (iii) Exception to fee restriction. A

creditor or other person may impose a fee for obtaining the consumer's credit history before the consumer has received the disclosures required by paragraph (a)(1)(i) of this section, provided the fee is bona fide and reasonable in amount. However, I provide to my clients (in bold print just under your version) a plain English translation: "You can not be charged any upfront fees in connection with your loan application; other than a reasonable credit report fee, until you have received a good faith estimate from the lender who will fund the loan." Can you see the difference? What is easier for a consumer to understand and therefore make an informed choice? If the FRB, Dodd-Frank, the CFPB or any other agency is truly concerned with Consumer Protection, you will READ each of the existing required disclosures and streamline all of them into concise statements that will truly be useful to a consumer and easily read and understood in a short period of time. You will consider laws, rules and regulations already in force and not adopt additional rules that are redundant or obsolete because the problem has already been addressed elsewhere. Please do not move forward with this rule.