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Subject: Reg. Z

Comments:

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Comments:
This hodge podge attempt to "fix" the financial debacle is the incorrect way to go about this. A holistic approach is required. This disjointed effort between the different agencies is counter productive. No one has a crystal ball into the future of the consumer. Lenders can verify everything under the sun but that is no guarantee of future performance. Should lenders verify employment, assets and other information that is on a mortgage application? YES, they should. However, if the consumer defaults later on due to "non-fraud" but due to things outside the control of the consumer, how can you hold the lender or the loan officer accountable for that? If a consumer loses a job and can't pay for the mortgage, are you going to go after the employer for laying or firing the consumer? I don't think so. If an honest good faith effort and due diligence was performed, no one is accountable for such asctions as nothing illegal or improper was done. As a prospectus of investments states "Past performance is no guarantee of future performance". A typical full documentation fully verified mortgage with fixed or adjustable rates that DO NOT have negative amortization properties should not be included in a lender being forced to hold "interest" in the loan. If Wall Street or Lenders want to provide neg-am loans or stated or no-doc mortgages, they should be allowed to. However, they can be kept on their books as a portfolio loan. Balloon payments? USDA and FHA can meet the needs of rural housing. There is no need for a typical home buyer to be given a balloon payment type of mortgage. If this is allowed, the typical home buyer may not fully understand the future risk of such. This financial debacle should make this self-explanatory at this point.
All of this needs to be tabled until the Consumer Protection Bureau is up and running. FRB has done nothing that has been positive for the consumer's ability to purchase a home except make it more expensive and more confusing.