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Comments:

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There needs to be more liability associated throughout the lifecycle of these consumer mortgages. Obviously, consumer credit ratings for acts as a regulator for consumers. But what tends to happen here is consumers feel that there is nothing that they can do resurrect their credit once a snowball starts rolling. There is a bit of moral hazard that escalates to the point that the consumer fail to weigh the costs of credit loss to that of their long term ability to obtain good credit. So yes, we do need to better protect the "average" and below consumer. As for the originators, servicers, etc, their truly does need to be liability and duty tied to these agents of the mortgage for the life of the mortgage. That is, liability associated to the individual (albeit limited in respect to an individual involvement and designation) and not only the company employing the individual. Perhaps a similar rating agency(ies) could be established that monitors the agents respective part in the process. To reinforce the value of maintaining non-deceptive practices, licensing via professional designations would work to maintain this leverage. Each stage in the mortgages lifecycle, for each hand that touches it, a residue of liability must remain. This will all come at a cost, but net positive after considering the benefits and hopeful prevention of events like the last few years. There should ALWAYS be risk associated to a benefit. If someone received payment for their part in the mortgage lifecycle, there should be proportionate risk associated. Careful use of regulations that limit the ability of the market to thrive and follow fundamental rules is required to ensure the costs of such products do not rise artificially.