

From: Brad Giles
Subject: Reg Z - Truth in Lending

Comments:

Public Comments on Truth in Lending:=====

Title: Truth in Lending
FR Document Number: E9-18119
Legacy Document ID:
RIN: null
Publish Date: Wed Aug 26 00:00:00 EDT 2009
Submitter Info:

first_name Brad
last_name Giles
address1 64 East 6400 South, Suite 335
city Murray
country United States
us_state UT
zip 84107
email bradgiles@email.com
company

Please DO NOT allow this piece of proposed legislation to become a law. There will be too many unintended consequences.

Specifically, DO NOT allow the proposed TILA change to disallow loan originator compensation in the form of service release premiums as this will only add a corresponding cost directly to consumers.

If creditors cannot compensate loan originators directly and outside of what a borrower directly pays, there will be no incentive for the loan officer to offer anything other than the easiest loan program for the loan officer to originate. Searching for and delivering the best rate, best product and lowest fee structure to a borrower in a competitive market will no longer be rewarded.

Simply, a borrower's direct cost to borrow will increase and competition, therefore service, will decrease. Borrowers will receive less service and only a one-size-fits-all solution and more expense. There will be fewer home loans originated, less home ownership, less competitive options and increased direct borrower expense - which means some borrowers will not have sufficient cash on hand to pay all up-front costs and will be forced out of the home ownership market.

Additionally, the assumption that loan originators default to despicable behavior and ONLY look out for their own interests rather than what is best for the client is a hasty generalization and an incorrect conclusion. The assumption that all people are evil and willing to cheat and deceive is not correct. Trying to legislate moral behavior rather than allowing honesty, hard work, ingenuity, integrity and a borrower's freedom of choice will not solve the problem, it will only create additional, unintended new and larger problems.