



January 31, 2011

VIA EMAIL

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave. NW.,
Washington, DC 20551
Docket No. R-1399 and RIN No. 7100-AD59

RE: Regulation Z, Truth in Lending Proposed Rule, Docket No. R-1399 and RIN No. 7100-AD59

Dear Ms Johnson:

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing approximately 300 state and nationally chartered banks, savings and loan associations, and savings banks located in communities throughout the state. WBA appreciates the opportunity to comment on the Board of Governors of the Federal Reserve System's (FRB's) proposal to amend Regulation Z, which implements the Truth in Lending Act (TILA), to increase the threshold for exempt consumer credit transactions from \$25,000 to \$50,000, as required by the Dodd-Frank Act. WBA also recognizes that the Dodd-Frank Act provides that this threshold must be adjusted annually by any annual percentage increase in CPI-W.

Since the enactment of the TILA, and its implementing regulation, financial institutions have long relied upon the exempt transactions criteria to identify whether a particular extension of credit is subject to the requirements of the Act and its implementing Regulation Z. The criterion for the threshold amount, whether it be for closed-end or open-end credit, has always been a straightforward determination based, in part, upon the amount of credit the institution extends or commits to extend to the borrower at the time of consummation. WBA strongly believes FRB *must* keep this straightforward threshold amount approach.

WBA strongly recommends the *only* revision that be made to Regulation Z, as imposed by the Dodd-Frank Act, is to simply increase the exemption threshold amount.

TILA, and Regulation Z, have long held a general requirement that financial institutions cannot structure consumer loan transactions to circumvent consumer disclosure requirements; this requirement remains. WBA does not believe the proposed new open-end credit commentary is warranted and we strenuously recommend FRB remove such comments before finalization of this rule.

WBA acknowledges the significant effort FRB has set forth in its review of Regulation Z in this very challenging time of massive legislative and regulatory change. Once again, we appreciate the opportunity to comment on FRB's proposal.

Sincerely,

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