

From: "Ken Mathis" <kmathis@texicostatebank.com> on 03/08/2004 11:20:19 AM
Subject: Economic Growth and Regulatory Paperwork Reduction Act of 1996 Review

RE: Flood Areas, 12 CFR Part 339

I would like to see this regulation changed to consider the value of the land first and the value of any attachments second. If the value of the land, considering the normal 20% equity position, is sufficient to cover the loan balance, then the value of any attachments is not important. It is wrong to require a borrower to purchase flood insurance for a structure that is not even considered for support of loan repayment.

Thank you,

Kenrick Mathis, Pres.
Texico State Bank

Supplement

RE: Truth in Lending, Right of Rescission, Part 226.23

After 20 years of mortgage lending, I have not had one applicant rescind a mortgage loan. A good average for closing a real estate loan from application to closing date is about 30 days. If the applicant has not changed his/her mind within that 30 days, they are not likely to in the next 3 days. If the intention for the rescission period is to allow them time to review closing documents for such items as APR, principal borrowed, payment amount, etc., then why not rely on the Good Faith Estimate for that information. My true desire would be for this regulation to be completely dropped. I would think it would take more than 3 days for someone to feel they've been cheated. And if so, they would still have to go through the legal process for restitution, therefore, what difference does the rescission period make. This regulation is an unnecessary burden on the lender, borrower and possibly a third party to whom the loan proceeds may be going.

Thank you,

Kenrick Mathis, President
Texico State Bank