

From: "Jay Randall" <jtr@CommunityBankIowa.com> on 03/25/2004 08:50:22 AM
Subject: Economic Growth and Regulatory Paperwork Reduction Act of 1996 Review

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A \$63,000,000.00 rural bank with offices in 7 small communities.

FLOOD

Most appraisals have disclosure of the Flood Status, I feel if the appraisal makes note of the information, why do we need a separate form? Requiring a standard form is a redundancy of work and adds additional costs, either directly by the bank or indirectly through the appraisal.

ECOFA

It is my understanding that the requirement for notation of "evidence of intent" for individual versus joint applications is a consumer protection effort. The guidance for non-consumer loans (non-incorporated commercial and agricultural loans) will cause some problems.

- I feel that a borrower's signature on a promissory note should be enough "evidence of intent", particularly for loans which are not subject to "Truth in Lending".

HMDA

The purpose for tracking refinancing of agricultural or commercial loans that may be secured by the applicant's residence is excessive.

- Simplify Spread Reporting, expanding reporting of spread into tiers of rates is excessively burdensome
- Use only necessary data fields
- Increase Asset Size for data collection
- Current discussions to expand collection items should be dropped until after completion of this EGRPRA review of the regulation.

Truth in Lending (TIL)

While a nice tool for examiners to determine whether or not as financial institutions we are abusing our consumers and for consumers to comparison shop; the bottom line to the consumer is still whether or not the financial institution will make the loan, not what the APR, finance charge or amount financed is disclosed.

- I feel the determination thresholds for accuracy of the APR are too narrow.
- The requirement for multiple disclosures of the sale of credit insurance and whether the bank may keep a portion of the commission is unnecessary.

RIGHT OF RECISSION

In twenty-seven (27) years of banking, I have never had a customer that has rescinded a transaction. While I understand the three (3) day period, it feels to be an extra burden on the borrower.

- Give customers that right to waive rescission at closing, or
- Repeal the entire requirement.

HOEPA

Simplify Spread Reporting, use same requirement as HMDA.

CRA

While CRA gives financial institutions a fair review as to how they are serving their communities and what they are doing to meet the needs. This regulation needs substantial simplification. In the past twenty-two (22) years, our financial institution has had only **ONE (1)** request from a consumer to look at our public information file. The work that is involved for compliance to the regulation, maintain the policy, board review of the policy, file maintenance, notices and files in all offices, is not cost effective.

- Repeal the Regulation, or
- Grant more exemptions and
- Raise the Asset Total for small institutions

RESPA

How many times must we show the customer, basically the same information? Good Faith Estimates, Itemization of Amount Financed, HUD 1 or 1A. While there are differences in the forms and they come about through different regulations, isn't there some way to consolidate.

PRIVACY NOTICES

- Initial Notice at account opening should be sufficient or
- When policy changes.
- Eliminate requirement to send annually.