

From: Community South, Penny Vise
Subject: Truth in Lending

Comments:

February 9, 2009

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Ms. Johnson:

Thank you for the opportunity to comment on the proposal published on December 10, 2008 regarding revisions to Regulation Z.

Comment is requested on the proposed waiver of the seven-business-day waiting period as required under § 226.19(a)(1)(i) or the three-business-day period required by § 226.19(a)(2). Both of these waiting periods will greatly impede the mortgage process in banks, particularly in rural markets where mortgage loans can be closed very quickly. The intent of the law is to better inform consumers of the costs involved in obtaining a mortgage along with providing enough time to determine whether they are making the right decision, however, consumers also want to obtain loans in an expeditious manner. These waiting periods will frustrate consumers and will not benefit them. Consumers complain now regarding the time involved to close loans. The three-day rescission period for rescindable loans is sufficient time for consumers to determine whether they are making a wise choice in offering their primary residence as security on a loan or if they can afford the loan. In purchase transactions, consumers are anxious to close loans and will not be happy about waiting the equivalent of two weeks before being able to close when purchasing a primary dwelling or a vacation/secondary home.

If a consumer desires to waive these waiting periods, banks should not have the burden of determining whether the reason is a bona fide personal financial emergency. There are many reasons consumers do not want to wait. When someone has gone to the point of signing a contract with a realtor or individual to purchase a house, they do not want to wait two weeks to close the loan. After being through that process, the consumer has thought through whether they can afford the loan. These waiting periods could cause some to lose a house for which they may have made an offer if there is another individual who is paying cash for a home. There have been situations where parents are purchasing homes/condos for children attending college and need to close a transaction quickly in order to move the child to college. Someone may be moving to another city for a job transfer, find a home quickly and desire to move in as soon as possible. As already stated, there many reasons consumers will not want to wait these time periods and if they choose to waive, should be able to without banks making the decision if the consumer's situation warrants that waiver. This puts banks at great risk, thus taking the position not to allow waivers at all, to avoid regulatory criticism and/or sanction.

The Board seeks comments on whether transaction-specific disclosures should be required after application but significantly earlier than account opening for HELOC transactions. First of all, the revisions to closed-end credit

transactions will greatly increase the compliance burden for banks as well as costs. Since those proposals are final, these additional requirements for HELOC's should not be considered as once again, they create additional costs and burden. Any changes to procedures, processes and/or policies require massive retraining, changes to loan origination systems, additional operational revisions/costs, increased time in creating and providing disclosures, increase in paper costs, increased monitoring and auditing among other burdens and costs. It has been our experience that most customers pay little attention to disclosures, particularly since the disclosures are long and detailed. By the time consumers have made a loan application, they have decided what they want to do, that they need or want the loan and request details concerning rates, payments and terms verbally. This does not negate the necessity of providing disclosures, however, additional disclosures will not benefit the customer. Customers want convenience, not delays and not more documents or additional information.

Once again, thank you for the opportunity to comment.

Sincerely,

Penny Vise
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