

From: Lisa Dawley  
Subject: Regulation Z - Truth in Lending

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Comments:

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Comments:

I write this letter to make the unprecedented request that you withdraw the proposed Truth In Lending (TILA) mortgage regulations in FRB Docket No. R-1390. In the face of an unparalleled foreclosure crisis, now is the time to reinforce the fundamental importance of TILA rescission. Instead, the Board's proposal would eviscerate the single most effective tool that homeowners have to stop foreclosures and avoid predatory loans: the extended right of rescission. The FRB Docket R-1390 contains a series of proposed changes to the TILA rules governing mortgage lending. A few of the proposed changes, including new "material disclosures" for home secured credit, would advance consumer protections. Some changes are neither particularly damaging nor particularly beneficial to consumers. Other parts of the proposal, however, would seriously undermine the reliability of TILA disclosures on home secured credit. Instead of informing consumers about the terms of their loans as Congress intended, these proposals would allow broad misstatements of loan terms through new tolerances that are without statutory authority. The extended right of rescission is a critical tool necessary to enforce the strict disclosure requirements in the Truth in Lending Act. It is far preferable to provide substantive limits to abusive products and features, but for the most part, regulation of our current mortgage market depends on disclosure of the real terms of the transaction to provide some balance between the parties to a mortgage transaction. If even these the disclosure requirements are undermined, most homeowners have no hope of navigating the mostly caveat emptor nature of today's mortgage market. In the great majority of cases brought to stop a foreclosure in the majority of states, TILA rescission claims are included. Passage of the proposed rule will considerably exacerbate foreclosure statistics in this nation harming countless homeowners, communities and the economy. Additionally, the tolerances and changes to the material disclosures proposed in this docket would also harm consumers. For these reasons, we request that you withdraw the

entire docket, and leave the update of T ILA to the Consumer Financial Protection Bureau when it takes over this area in July, 2011.