

**Jan R. Reber**

December 01, 2010

Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, Northwest  
Washington, D C 20551

Re: Withdrawal Request for the Proposed Truth in Lending Mortgage  
Regulations (FRB Docket Number.R-1390)

Dear Board of Governors:

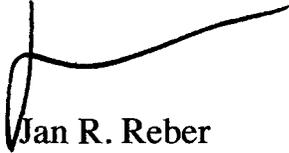
This letter is from an individual who requests that you **withdraw and rewrite the proposed Truth in Lending (TILA) mortgage regulation FRB R-1390.**

These proposed rules that would eviscerate the primary protection homeowners currently have to escape abusive loans and avoid foreclosure: the extended right of rescission in 12 CFR § 226.15 and 226.23. The Truth in Lending Act passed by Congress specifically provides consumers the right to unwind an illegal loan through "rescission" for up to three years after the loan was consummated. The statute and current Board regulations both provide that if the proper disclosures were not provided to the homeowner at the closing, the homeowner can rescind the loan by sending a notice to the creditor. The statute then requires the creditor to cancel the security interest. Only *after* the creditor has complied with its obligation to cancel the security interest is the homeowner required to pay back the lender the amount still due on the loan. This order of obligations is the essence of the protection provided by TILA's extended right of rescission. The cancelling of the security interest means that the homeowner has a defense to a foreclosure. It also means that the homeowner has the means to obtain refinancing so as to be able to tender the amount due. The extended right of rescission does *not* mean that the homeowner does not have to repay the loan. While the amount due is reduced by the finance charges, fees and amounts the homeowner has already paid, the balance is still due the creditor. Despite the clear order of these events set out in the Act passed by Congress, the Board's proposed regulations would make the extended right of rescission useless by requiring that the homeowner must

*pay the entire amount demanded by the creditor* before the creditor is required to cancel the security interest in the home. This proposed changed order will undermine the primary purpose and power of TILA's extended right of rescission, the mandatory cancellation of the security interest by the creditor upon receipt of the homeowner's notice. The extended right of rescission is a critical tool necessary to enforce the strict disclosure requirements in the Truth in Lending Act.

**Your lawyers and banking experts have seen fit to attempt to take away a fundamental legal right granted to consumers by Congress. Should the rule be passed, it will be subjected to litigation immediately. Perhaps more importantly, your lawyers and banking experts should examine the depths of the moral depravity into which they have fallen by devising and proposing such a rule. Please withdraw the entire docket.**

Sincerely,



Jan R. Reber