April 20, 2004

Public Information Room
Office of the Comptroller of the Currency
250 E St., S.W.
Mailstop 1-5
Washington, DC 20219

Re: Docket No. 04-05

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

Re: Docket No. R-1180

Mr. Robert W. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 Seventeenth St., N.W.
Washington, DC 20429

Re: EGRPRA Burden Reduction Comment

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, DC 20552

Re: No. 2003-67

Dear Sir or Madam:

In response to the notice of regulatory review and request for comments published in the January 21, 2004 Federal Register, the New York Bankers Association is submitting these comments on consumer protection lending-related rules subject to review under the Economic Growth and Regulatory Paperwork Reduction Act of 1996. These comments reflect the views submitted as the result of a request for comments shared with our member banks. Our Association is comprised of the community, regional and money center banks of New York State, which have aggregate assets in excess of $1 trillion and more than 280,000 New York employees.

Our comments follow the order of the regulations described on Federal Register page 2855.

Loans in Identified Flood Hazard Areas

The interagency regulations implementing the national flood insurance program require that lenders provide borrowers and servicers a notice stating whether flood insurance is available on the property securing a particular loan and retain a record of receipt of the notice by both borrowers and servicers. We would respectfully suggest that the agencies provide guidance as to what constitutes a record of receipt of notice. In this regard, we believe that purchase by a borrower of flood insurance should be considered a *de facto* receipt of notice of the availability of the insurance.

Consumer Leasing

When consumer leases are renegotiated or extended under Section 213.5 of Regulation M (implementing the Consumer Leasing Act) for an aggregate period of six months or more, lessors are required to provide new disclosures of the lease contract terms. However, in many cases, consumers request month-to-month extensions of the original lease contract in order to obtain financing for the buy-out of leased personal property or to obtain time to find replacement property. Where the original lease contract is extended on a month-to-month basis, re-disclosure will provide little additional information to consumers and is unnecessary. We would therefore respectfully suggest that Section 213.5 be amended to require re-disclosure only with regard to a lease extension or extensions that, in the aggregate, exceeds twelve months beyond the original lease term.

Equal Credit Opportunity

Regulation B, implementing the Equal Credit Opportunity Act, prohibits a creditor from taking into account the existence of a telephone listing in a credit applicant's name in evaluating the creditworthiness of the applicant. However, the same regulation (12 CFR 202.6(b)(4)) authorizes a creditor to take into account whether there is a telephone in the applicant's residence. We understand that this provision of Regulation B was adopted prior to the widespread use of cellular telephones and reflected the agencies' concern that public telephone listings in households shared by more than one adult tended to be placed in the name of a male member of the household. We would respectfully suggest that creditors be permitted to take into account whether a credit applicant owns a cellular telephone in making credit determinations. As more and more households are coming to rely on wireless communication devices, fewer and fewer of such devices will be considered as falling within the parameters of section 202.6(b)(4).

Truth in Lending

Regulation Z, implementing the Truth in Lending Act, contains, we believe, unrealistically low dollar threshold tolerances for the accuracy of finance charge disclosures. As the agencies are aware, a disproportionately high percentage of violations

of Regulation Z result from disclosures that exceed the threshold tolerances. Many of the tolerance levels have not been examined for several years. We would respectfully suggest that the agencies review and increase the thresholds, at least to take into account inflation that has occurred since the thresholds were originally established. In view of the larger average size of loans today, the agencies may wish to consider establishing either a higher fixed threshold amount or a percentage of the principal loan balance which reflects at least the increases in inflation as a new threshold.

The New York Bankers Association appreciates the opportunity the agencies have provided to comment on these regulations. Please feel free to contact us with any questions.

Sincerely,

Michael P. Smith