

From: "Hutchison, John" <Hutchison.John@ccbg.com> on 01/28/2004 11:40:24 AM
Subject: Equal Credit Opportunity

I would like to express my opposition to your proposal to amend various regulations to require "consistent, clear and conspicuous" disclosures and terminology. Although the concept sounds "nice" and even reasonable, it imposes standards that are extremely subjective and unclear. For example, no banker is likely to dispute the idea that the current mandatory Reg. Z truth-in-lending (TIL) disclosures are confusing to many clients, and probably result in over disclosure and sensory overload from TMI (too much information). (Ask anyone who has applied for an adjustable rate residential mortgage loan recently about the pounds of disclosures they got, and their comprehension of that large volume of information, and I suspect they would talk about TMI.) However, the proposal that we would have to somehow independently create "clear and understandable" disclosures with no model disclosures is an invitation to lawsuits and examiner criticisms. Any consumer who finds the complex disclosures confusing would have an invitation to sue the lender, for failing to make them understandable. If you actually want to help the consumer, spend time thinking about how to make the present mandatory TIL disclosures shorter and simpler, then publish a mandatory simplified disclosure form that lenders can follow in safety. Don't mandate that they be clear and understandable when you have created such complex disclosures that they are inherently confusing to the average consumer, and leave us vulnerable to lawsuits based on their confusion. The same logic would apply to all of the other regulations. Instead of exposing financial institutions to countless lawsuits based on our failure to make complex ideas simple, you should devote time to simplify those disclosures and publish model forms that we can follow. It would be expensive enough to change our systems to alter the disclosures we have to provide. However, as long as you actually come up with more comprehensible disclosures, and we have a safe haven for using your new model disclosures, I don't think most bankers would object to a change that actually benefits consumers.

Thank your for your consideration.

John M. Hutchison
SVP-Compliance
Capital City Bank Group
Tallahassee, Florida