

Gordon W. Schlicke
7114 28th Ave. NW
Seattle, Washington 98117
(206) 782-6839

April 30, 2004

Public Information Room
Office of the Comptroller of the Currency
250 E Street, SW
Mailstop 1-5
Washington, DC 20219
Docket 04-05

Ms. Jennifer J. Johnson, Secretary
Board of Governors, Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Docket No. R-1180

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20522
No. 2003-67

**RE: *Economic Growth and Regulatory Paperwork Reduction Act Burden Reduction Comments – 69
Federal Register 13,2852-2855 (January 21, 2004).***

Ladies and Gentlemen:

I am a forty-two year veteran of mortgage banking and am currently providing mortgage training to the industry. With regard to the above, mandatory disclosures required in the Truth-in-Lending Act (TILA) provide little guidance to borrowers and, in fact, contribute greatly to confusing them. The TILA form is one of the best ways unscrupulous mortgage brokers deceive borrowers. The two most popular schemes involve Annual Percentage Rate and Amount Financed – both of which should be dropped.

A recent extensive study for a local law firm shows that consumer reliance on APR is worthless because the law lacks a clear definition of prepaid finance charges. In some cases brokers computed APR based on their wholesale cost of money; others computed APR without including any prepaid charges whatever and there is one lender who simply reports no APR! There is no enforcement. Unscrupulous brokers are manipulating TILA to simply arrive at the lowest advertised APR

The second most egregious misuse of TILA lies in the fact that the actual loan amount never appears on the disclosure, a handy mistake that predators use frequently. This oversight practically invites dishonesty. To most consumers I've dealt with the form is nearly unintelligible.

I urge your reconsideration of this outdated, impractical law – together with its exhaustive and elaborative commentary. It contributes little that is helpful to a frazzled borrower trying to understand the true cost of borrowing. Better ideas are available.



Gordon W. Schlicke
Mortgage Training