

**From:** "Michelle Wiese" <mwiese@firststatebankandtrust.com> on 01/30/2008 03:55:02 PM

**Subject:** Regulation Z

Tom Whom it May Concern:

I have read the proposed amendments to Regulation Z: Truth in Lending and I agree with certain proposed changes including prohibiting creditors from coercing real estate appraisers to misrepresent the value of a property they are appraising, and prohibiting creditors from failing to credit payments to customer's accounts when received, failing to provide a payoff statement within a reasonable period of time (I would suggest 24 hours), and pyramiding late fees.

These just make common sense and honest bankers would never do these things in the first place.

For high priced mortgage loans the proposal would prohibit creditors from extending credit without consideration to the borrower's repayment ability, another common sense rule that should be followed and is followed by the majority of the bankers in the lending world. I also agree with verifying incomes and assets prior to making the loan. I do not agree with requiring escrow accounts for taxes and insurance as many customers prefer to do their own escrowing. Our bank does not have a sophisticated escrow computer program so our few (10) escrow accounts are done manually at the customer's request. Requiring mandatory escrows would cause burden on small banks.

I agree with the advertising rules requiring equal prominence to any teaser rates vs. the actual rate. I truly agree that fixed rates should only be used for fixed rate loans and should be considered deceptive if that wording is used on variable rate loans.

Regarding fees collected at application, I would like to see the fees allowed expanded to appraisal fees because when we feel an application bears going to the next step and an appraisal is order, I would not believe the bank should have to "eat" the appraisal fee should the property not appraisal out or the borrower change his mind. I thus believe appraisal fees should be able to get collected up front, along with credit report fees.

I work for a small community, locally owned bank. I strongly feel that my pointed raised in the letter are fair and ethical. Please feel free to contact me if you have questions. Thank you.

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