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I am an attorney who handles residential real estate transactions and represents debtors in disputes with creditors. I strongly urge you not to change consumer rights in the case of a rescission exercised after the initial three day period. To condition the lender's obligation to release its security interest upon the consumer's tender of the balance due would effectively eliminate this important right for the consumer. Typically this extended rescission is exercised during a foreclosure or bankruptcy proceeding based upon a review by the consumer's attorney.

The exercise of this right provides the debtor with strong leverage to use in negotiating a workout with the creditor. At this point, the debtor is almost always unable to raise the funds necessary to tender the outstanding balance due the debtor's difficult credit condition. Were it not for the requirement that the creditor release the security interest, the debtor's exercise of this right would provide absolutely no leverage whatsoever because the creditor understands that the debtor will not be able to tender. This change will make this part of TILA protection a nullity, and would clearly frustrate the intent of Congress to provide robust consumer protections under TILA.