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Subject: Reg Z Truth in Lending

Comments:

Date: Sep 27, 2010

Proposal: Regulation Z - Truth in Lending Act
Document ID: R-1392
Document Version: 1
Release Date: 08/16/2010
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Comments:

The Fed's interpretation on High Priced Mortgage pricing and escrow restrictions has required our bank to discontinue making first mortgage owner occupied loans. We are not set up to escrow for mortgages, do not have funding sources for more than 5 years, and the pricing limits do not take into effect the risk associated with the loan. We generally only make loans to homeowners who do not qualify for the secondary market. Now we must turn them down because we can not escrow or lock in a rate for more than 5 years. They are having to go to finance companies who charge much higher rates than we would if allowed to make these loans. You have eliminated many community banks as lenders and driven up the cost to consumers in a time we should be encouraging banks to make these loans and looking for ways to help low to moderate income homeowners. Not underwriting for risk in pricing decisions is the primary reason for our current real estate recession.