

Community Depository Institutions Advisory Council

On April 1, 2011, the Community Depository Institutions Advisory Council met with the Board of Governors to discuss proposed amendments to Regulation Z (Docket R-1406). The council provided written views, which are provided below.

- **Impact on consumers and small communities**
 - Due to new regulations and the increased compliance burden, banks are exiting profitable lines of business leaving the consumer with fewer choices and a fewer number of reputable lenders in the market.
 - E.g., a member bank chose to exit manufactured home lending citing a lack of compliance resources, despite being one of a few remaining such lenders. The borrowers affected are generally low-income and often underserved.
 - E.g., a small bank chose to stop offering home loans because they lacked the capacity to do escrows as required under the new regulations.