



April 18, 2011

Subject: Truth in Lending - Higher Priced Mortgage Loans

Thank you for the opportunity to comment on the proposed rulemaking for the Truth in Lending Act on higher priced proposed mortgages. Seattle Metropolitan Credit Union (SMCU) is a Washington state chartered credit union representing 41,000 members. On behalf of my credit union I have serious concerns about proposed solution and request that you consider the following:

- Proposed regulation does not address non real estate dwellings (ex: house boat, RV's, and live aboard boats);
- Mandated escrow period time frame is unreasonable at five years and does not represent good policy. Good policy would require the time frame to be a maximum of two year. Good policy should take into consideration the standards and requirements of investors in the secondary market. e.g. Freddie Mac and Fannie Mae.
- Proposed policy does not address exceptions that should be available for loans that represent little risk with low loan-to-value (ex: 50 percent);
- The proposed interest rate thresholds are too low and should be reconsidered as most non-traditional loans will meet the threshold with current pricing structure;
- New disclosure requirements should be standardized and simplified as they provide little value and will be confusing to the consumer; and
- Cost to comply will not support the benefit of the proposed changes in disclosures or escrow requirements.

In my opinion, this proposed change will provide little benefit to the consumer and increased burden and costs on the credit union.

Respectfully,

A handwritten signature in cursive script that reads "Denise Carlson".

Denise Carlson
AVP/RE and Business Lending