

From: Enon W. Harris
Subject: Regulation Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth In Lending Act
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Name: Enon W Harris
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country:
Zip:
PostalCode:

Comments:

I am writing to oppose the R-1390 changes to the extended rescission provisions of the TILA. It is essential that the creditor release the security interest before being repaid the principal and that refinancing not terminate the right to extended rescission. The proposed changes to the existing rules would make it impossible for nearly all those who should be able to make use of the extended rescission provisions - as Congress intended in the original act - to actually do so. The proposed revision creates a "catch-22" situation for borrowers which allows them no way to exit fraudulently induced loans without surrendering their property to the creditor. (And may leave them with a deficiency judgment even after surrendering their property.) Conversely, it will reward creditors who fraudulently induce people to agree to often unconscionable or undisclosed loan terms. In extended rescission, the creditor must give up their security interest before being repaid if the borrower is to have any chance of obtaining another loan on the property sufficient to repay the principal to the creditor. For that same reason, refinancing must not be a bar to raising the right of extended rescission.