



December 23, 2010

VIA ELECTRONIC DELIVERY

Jennifer J. Johnson  
Secretary, Board of Governors  
Of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

Re: Docket No. R-1390

Dear Ms. Johnson:

On behalf of the nearly 600 commercial banks and thrifts that are members of the Texas Bankers Association (TBA), thank you for the opportunity to comment on the Board of Governor's proposed changes to Regulation Z, implementing the Truth in Lending Act (TILA). We certainly appreciate the time and effort the Board has spent in researching and developing these proposed changes; however, we respectfully ask that the Board postpone finalizing these regulations until the envisioned changes can be incorporated into the broader mortgage reform initiatives required by Congress in the Dodd – Frank Wall Street Reform and Consumer Protection Act (DFA).

Our member banks share the Board's belief that a comprehensive overhaul of the TILA rules affecting home mortgages is warranted because the ultimate beneficiaries of that overhaul will be our consumers, without whom none of us would be in business. However, this overhaul must coincide with the streamlining and simplification of consumer financial regulation Congress envisioned when it enacted the DFA last summer. Consumers are not better served by mortgage lending regulations that significantly change every time they go to a loan closing. Instead, they, and the bankers that are struggling to stay on top of the voluminous regulatory changes mandated by the federal banker regulatory agencies over the past two years, are further confused by a complex process that is becoming increasingly more so.

Furthermore, the banking industry, which is stretched to its very limits by the staggering compliance costs associated with the implementation of the 50 new regulations their regulators have adopted in the past 24 months, is looking at the issuance of at least 263 more regulations over the next several years as a result of the passage of DFA. For the sake of the future of traditional banking, we urge you to resist adopting the changes proposed in Docket No. R-1390, and instead work with the new Consumer Financial Protection Bureau to develop a comprehensive plan for reform that will provide the best hope for improved disclosures that will help consumers understand their mortgage loans.

Thank you in advance for your time and your careful consideration of the above.

Sincerely,

Celeste May  
Assistant General Counsel

203 W. 10<sup>th</sup> St.  
Austin, TX 78701

[www.texasbankers.com](http://www.texasbankers.com)

(512)472-8388  
Fax (512)473-2560