



Mike Foley

State Representative, 14th House District

Committees: Housing and Urban Revitalization (Chairman), Transportation and Infrastructure, Civil and Commercial Law, Alternative Energy, and Ways and Means

December 20, 2010

Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Dear Board of Governors:

I'm writing today in opposition to the Federal Reserve Board's proposed changes to the Truth in Lending Act published in FRB Docket No. R-1390. It would effectively eliminate the right of rescission and stop homeowners from challenging unfair foreclosures. The new rule would encourage abusive lending by removing lender accountability.

As a state legislator pushing for common sense mortgage and foreclosure reform in the state of Ohio, this rule would put a serious burden on homeowners in the state that want to fight a potential foreclosure and try to modify or refinance their loan. The right of rescission is one of the most important tools for a homeowner trying to keep their home, and eliminating this right will only increase the already record number of foreclosures in Ohio.

The right of rescission gives borrowers an important protection. When a lender doesn't properly disclose a loan's amount, interest rate or repayment terms, the borrower can reject the loan within three years. A homeowner still must pay back a rescinded loan, but the lender cannot foreclose. The right of rescission gives a homeowner a chance to refinance or modify a loan so it is fair, affordable and clear.

Our nation is facing the worst foreclosure crisis since the Great Depression. The Federal Reserve Board should be strengthening, not weakening, consumer protections.

I urge the Federal Reserve Board to withdraw the proposed rule.

Sincerely,

A handwritten signature in black ink that reads "Mike Foley".

Representative Mike Foley
14th District

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