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Subject: Revision to Escrow Account

Comments:

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Proposal: Regulation Z - Truth in Lending Act - Revision to Escrow Account
Requirements for Certain Home Mortgage Loans
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I am writing in reference to the Fed's proposed rule to Regulation Z's escrow requirements. We are a locally owned community bank with assets in the \$250 million range. We now have escrow accounts on all new HPML loans thanks to the recent Reg Z requirements. In response to the possibility of an additional escrow disclosure 3 days before closing, I have to say that this is absurd. The following gives a timeline of how a mortgage loan gets closed: The customer has to come in to apply for a real estate loan. If pre-disclosures are not done at application, the borrower has to come in within 3 days of application to sign the pre-disclosures. We must wait 7 business days from application for loan closing. The borrower has to come in at closing to sign all the important documents. If the loan is a re-finance, the borrower has to come in again in three business days to sign the rescission notice. The proposed rule has the borrower coming in 3 days before closing to sign the escrow disclosure. To get a simple refinance loan closed, the borrower will now have to make a trip to our bank 5 times. The new escrow disclosure should be combined with the closing documents. A good loan officer will have already disclosed the information in the escrow disclosure long before the loan ever closes!