

August 2, 2002

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Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
VIA FAX: (202) 906-6518
VIA EMAIL: regs.comments@ots.treas.gov

RE: Docket No. 2002-17, the Alternative Mortgage Transaction Parity Act

Dear Sir or Madam:

The North Carolina Bankers Association writes in support of the changes to the regulations governing the Alternative Mortgage Transaction Parity Act ("Parity Act") that have been recently proposed by the Office of Thrift Supervision ("OTS").

There is no question that predatory mortgage lending practices have harmed American consumers. There is also no question that the members of the North Carolina Bankers Association are not the perpetrators of this abuse. The Association membership is comprised of banks doing business in North Carolina, all of which are depository institutions that are closely regulated by state or federal governmental regulatory bodies, including the OTS.

Many of our members operate in numerous states through utilizing the federal preemption that is provided under various federal banking laws to ensure the smooth running of our Nation's financial system. The careful and regular regulatory scrutiny that our members face substitutes, in effect, for the applicability of certain state laws in a system that protects consumers at the same time that it provides them with the lowest-cost and highest-quality financial services.

Our members' situation as regulated entities places them in an entirely different category from non-depository financial companies that do not face nearly the same degree of state or federal regulation. OTS recognized in its proposal to amend § 560.220 that entities that do not face depository institution regulatory scrutiny should not be able to escape the reach of state consumer protection law through application of the Parity Act. Otherwise, our members would face an uneven playing field since these entities would be receiving the advantages of preemption without incurring the protections of regulation. We therefore support the OTS's proposed change.

Thank you for your consideration of our comments.

Sincerely,

Edmund D. Aycock
Senior Vice President and Regulatory Counsel
North Carolina Bankers Association