

06/25/2002

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Regulation Comments  
Chief Counsels Office  
Office of Thrift Supervision  
1700 G Street, NW  
Washington, D.C. 20552  
Attn: Docket No. 2002-17

Re: Proposed Revisions to Parity Act Regulations

Gentlemen:

It is important to have all residential mortgage lenders treated equally under rules that govern residential mortgage loan origination. In fact, I welcome federal rules that apply to all such entities such as the Real Estate Settlement and Procedures Act ("RESPA") and the Truth in Lending Act ("TILA"). Our companies intention is to seek a "level playing field" under which all mortgage origination companies/lenders are governed by and follow the same set of clearly defined rules.

I strongly support the Alternative Mortgage Transaction Parity Act (the "Parity Act") since by its very essence it places all lenders, whether state or federal on the same "level playing field" as to the defined subset of "alternative mortgages". The State of Illinois has never "opted out" of the Parity Act and since its inception in 1982 licensed Illinois lenders were allowed to originate such mortgages on an equal footing with federally chartered lenders. We believe that the offering of such mortgage products by both state and federally chartered lenders has led to increased competition with direct benefits to Illinois consumers.

We strongly object to deleting certain OTS regulations which are now applicable to Illinois non-federally licensed lenders as such sections relate to late charges (Section 560.33) and prepayment penalties (Section 560.34). The result of such a rules change can only benefit non-state chartered lenders (i.e. federally chartered banks and thrifts) giving them a tremendous competitive advantage over state licensed lenders - all to the detriment of Illinois consumers.

Finally we take great exception to the reference on the top of page 9 to the assertion (apparently by various commentators) that the Parity Act allows non-depository institutions to piggyback on federal preemption and "facilitate predatory practices." To the extent this proposed revision seeks to address "predatory practices" it should be incumbent on the OTS to clearly define (i) what such practices are; (ii) how the proposed revision would remedy such practices; and (iii) the lack of existing alternative mechanisms (regulatory and judicial) to remedy such defined practices.

Very truly yours,



Steve Miller