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CONSECO FINANCE CORP.

May 28, 2002

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street N.W.
Washington, DC 20552

Dear Sir or Madam:

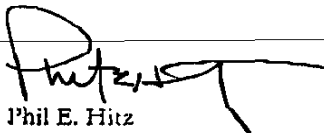
Conseco Finance appreciates the opportunity to comment on The Office of Thrift Supervision's proposed rulemaking [No. 2002-17] RIN 1550-AB51. More specifically we are in support of your proposed change as presented as item II, Preemption of State Usury Law (12 CFR Part 590) - Late Fees on Federally-Related Residential Manufactured Housing Loans.

The current federal late fee rule for manufactured housing loans reads "the lesser of \$5 or 5%", implemented as part of the Deregulation and Monetary Control Act of 1980 (DIDMCA) (12 U.S.C. § 1735f-7a). This regulation essentially limits late charge amounts to \$5 since the average loan payment today is between \$350 and \$400. Elimination of the \$5 limit would at least partially compensate lenders for the increase in their cost of doing business since the implementation of this regulation over 20 years ago. This change would be a stronger incentive for consumers to pay on time and help reduce the run-up of delinquencies and repossessions that, hopefully, would have a positive impact on manufactured housing's costs of funds on Wall Street thus helping the industry's prospective borrowers, for the most part lower income Americans.

A review and comparison of the current federal late fee structure for manufactured housing to applicable and comparable state law will show that the federal structure, the "lesser of \$5 or 5%", is well below current incentive structure established by states to get customers to pay their loans on time. The proposed change for a flat 5% late fee charge at the federal level would appear to fall within the mix of state late fee structures for manufactured housing loans.

In summary, Conseco Finance is in support of the proposed change to 12 CFR Part 590 and appreciates the departments time and consideration in reviewing these comments.

Sincerely,



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Vice President
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