From: mebie@fsbmesquite.com
Sent: Tuesday, April 20, 2004 4:51 PM
To: regs.comments@federalreserve.gov; comments@fdic.gov; regs.comments@occ.treas.gov; regs.comments@ots.treas.gov
Cc: jlindsey@firststatebank.com
Subject: EGRPRA

Please permit me to first applaud your efforts in attempting to reduce regulatory burden on financial institutions. As the Compliance Officer for First State Bank, Mesquite, Texas, I always find myself attempting to explain to our Lending Staff, in particular, regulations that really do not make much sense. Most of these regulations are too burdensome; require too much paperwork that most consumers DO NOT read. Above all, they are too costly for community banks such as First State Bank, Mesquite, Texas - a $170 million bank.

The intents behind most consumer regulations are noble; however, the required documentations necessary to prove compliance are laughable in most cases. I will address two here:

§ 22.9 Notice of special flood hazards and availability of Federal disaster relief assistance.

(a) Notice requirement. When a bank makes, increases, extends, or renews a loan secured by a building or a mobile home located or to be located in a special flood hazard area, the bank shall mail or deliver a written notice to the borrower and to the servicer in all cases whether or not flood insurance is available under the Act for the collateral securing the loan.

I understand the need for "Notice" following the initial determination for properties in a flood zone, but not the need for providing another notice at renewals, if no additional funds are advanced. Flood Zone Determinations ordered by First State Bank include Life of Loan coverage, and the determinations are good for seven years (according to regulation). If this same loan is renewed before the expiration of the initial flood zone determination, I do not see the need for providing another notice to the consumer. The consumer was already notified earlier. TOO MUCH BURDENSOME PAPERWORK!

§ 202.7(d)(1) Evidence of Intent.

This change to Regulation B (Equal Credit Opportunity Act), which became effective April 15, 2004 places additional burden on financial institutions to prove a person's intent to be a joint applicant at the time of application.

It is my understanding that the producers of the Uniform Residential Loan Applications (URLA) that most banks use for residential loans have categorically refused to revise their forms. Consequently, financial institutions are now left to come up with additional piece of paper to use in documenting intent of consumers. This is one regulation that defies logic. Banks have operated for years without this new requirement, and I am not sure if the benefit (if any) to the consumer is worth the added cost and burden on financial institutions.

I thank you for this opportunity to express my opinion on these issues. I know I am not alone; I am sure a lot of compliance professionals feel my frustrations.

Sincerely,

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