

From: Paul C. Adamski [pineries@charter.net]
Sent: Tuesday, April 20, 2004 9:57 AM
To: Comments OTS
Subject: EGRPRA Review of Consumer Protection Lending Related Rules

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April 20, 2004

Dear OTS:

Thank you for this opportunity to comment on ways the FDIC can reduce regulatory burden by identifying outdated, unnecessary or unduly burdensome regulations. I applaud the FDIC's outreach in this area, especially as it relates to community banks that know their customers and markets far better than any mega bank that has offices in many markets.

I have been a mortgage lender for over 30 years. Never, I repeat never, have I had a customer exercise the right to cancel on the refinance of a mortgage loan on their residence. Many of my colleagues that have been in the business for a similar period of time have had the same experience. This is a classic example of an outdated regulation that never did what it was intended to do.

The whole concept of a privacy notice for a community bank is a contradiction in terms. We know our customers because it is in the banks best interest to know our customers. We spent many an hour working on the first privacy notice, we delivered to customers, and then were told by regulators it was too confusing. We just complied with the content of the regulation when we prepared it for the purpose of trying to comply with the law. Even now new customers just shrug their shoulders when we hand out the privacy notice because they have become callus to the concept. Now, that even dentists have to distribute them to their customers, all feel it is just a waste of time and money. Less than one year after the law was in effect a few brave regulators suggested, from their experience, that the notice and regulation should not apply to banks under \$250 million. We believe it is obvious that this exception should be granted as soon as possible

Truth in lending regulations and the infamous APR have done nothing to stop the mortgage bankers and other unethical lenders from continuing to rip off customers. Every month I or my staff interview customers who are not financially savvy, who have been taken advantage of by lenders who openly defy the law by lying about their fees, or conveniently forgetting to disclose the specifics of the closing costs they have wrapped into the refinance. This regulation needs to be simplified, not made more complex like the last draft submitted by regulators.

Finally after all these months and years of talk about reducing regulatory burden we are slapped, effective April 1 this year, with yet another ridiculous addendum to the uniform residential loan application which requires a signature from applicants and Co-applicants identifying their intention to apply for joint credit. The application already does this.

It is difficult to beleive the agencies will actually make significant changes that will reduce regulatory burden when a regulation of this sort is mandated during the comment period for regulatory burden reduction. Having said that I would not have taken the time to write this letter and site these concerns (which are just a few of many others that have been promulgated over the last 30 years) unless I felt this might be a time when the FDIC and other agencies have determined our banks resources are better spent on making loans and educating customers about their financial needs.

As always I am available for questions or clarifications at your convenience.

Yours very truly,

Paul C. Adamski