Evans, Sandra E

(21)

From:	Jerry Gosse [jgosse@efsbank.com]
Sent:	Thursday, April 01, 2004 5:07 PM
To:	'regs.comments@federalreserve.gov'; 'comments@fdic.gov'; 'regs.comments@occ.treas.gov'; 'regs.comments@ots.treas.gov'
Subject:	EGRPRA

It is my beief that many of the regulations are written so specifically that even if a bank does more than required or in a better manner, the bank could be cited by examiners for not following the regulation precisely. An example follows:

Section 226.18(m) requires disclosure of the fact that a creditor has or will acquire an interest in property purchased as part of the transaction, or in other property
identified by item or type.

Our bank was cited for violating this regulation on two auto loans primarily because we did not check the box (which states this) within the "fed box".

However, directly above the "fed box" we show the autos securing the loans by Year, VIN Number, Make, Model etc. and identified as security for the loan.

The examiners are not being faulted here as Section 226.17(a)(2) does say that the disclosures must be segragated or "grouped together" and provides several acceptable ways of segregating or grouping.

However, my is that our way of disclosing the security interest in the property being purchased was far superior and much clearer for the borrower to see, read, and understand than checking a box which possibly might not even be read by the customer. We now check the box to comply with the regulations.

It is regulations such as those cited above that result in unwarrented and unecessary citations by examiners who have no discretion to accept an alternative manner of compliance that meets (or even exceeds) the intent and spirit of the regulation.

I suggest that the regulators take a second look at these and other such regulations, and consider providing some examiner discretion to allow for compliance when it is clear that the spirit and intent of the regulation is being met (or even exceeded) by a bank.

Jerry Gosse