

From: Sharon Moorhead [SMoorhead@sharonbank.com]
Sent: Monday, April 19, 2004 11:25 AM
To: Comments OTS
Subject: EGRPRA Review of Consumer Protection Lending Related Rules

Sharon Moorhead
9 Chester Pike
Darby, PA 19023

April 19, 2004

Dear OTS:

April 8, 2004

Dear Sir or Madam,

As a community banker at an institution w/\$200MM in assets, I appreciate the regulator's efforts to address our mutual burden. Community banks continue to fulfill an important role for consumers and small businesses in today's financial services arena. Often competing with megabanks and their mega resources, the limited human resources of community banks struggle to juggle the ever increasing demands of regulatory and technological change.

We are traditional in our loan product offering...pretty much plain vanilla fixed or adjustable purchase or refinance mortgages and fixed or adjustable rate home equity loans and lines of credit. Referring back to our asset size, it is a Herculean task to remain cognizant of current and pending regulatory issues and their effective implementation. With the revised HMDA and the addition of some consumer loans subject to government monitoring, another burdensome task has been necessitated. As we really don't have any more ' hats to wear' , we are currently contemplating the most effective way for us to comply with the recording of HMDA data and HOEPA assessment . This would not be an issue for us if the threshold were increased to banks with assets > \$250MM.

Regarding Reg Z, I relish this opportunity to comment on two issues. First of all, I have always found that the APR is so contradictory to the very nature of the Truth in Lending Act. When I started by Banking career in the early eighties, TIL was explained to me as EZ. The idea that disclosures were to be designed so that consumers could easily compare loan products and that Notes should clearly display finance charges and rates, etc. In my experience, I have never heard even a seasoned Lender satisfactorily explain the APR calculation to an inquiring consumer. Additionally, lets face it, often times the APR can be (un)intentionally distorted. Any regular " Joe" will appreciate the actual rate and the Good Faith Estimate of Closing Costs as comparative tools and question suspiciously the APR.

My second comment regarding Reg Z concerns the Right of Rescission. I advocate the right of consumers to have a period of time to review loan documents privately at their leisure and furthermore to have the right to cancel. Predatory lenders make this consumer protection well deserved. What is overkill about the ROR is the three day period. The consumers of this world disdain the wait often begging the Lender to accept a consumer request to waive the rescission period. I propose a compromise wherein the

next business day (perhaps by 11:00 am) is a sufficient period of time for document examination and rescission contemplation.

Thank you for this opportunity to share some personal observations and suggestions. Best of luck with your charge.

Sincerely Yours,
Sharon B. Moorhead

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