From: Bill Thompson [bthompson@1stMarinerBank.com]
Sent: Thursday, July 22, 2004 5:12 PM
To: comments@fdic.gov; regs.comments@federalreserve.gov; regs.comments@occ.treas.gov; regs.comments@ots.treas.gov
Subject: EGRPRA

We find that our mortgage loan customers pay no attention to the TIL disclosures, yet they are difficult to compute, and hard to understand. The variable rate disclosures are even more difficult. That said, the biggest problem I see is that the calculations we make for the APR are misleading. First, the prepaid finance charges are amortized over the 30 year term. But very few people keep their loans for 30 years. The national average is more like 7-10. A better disclosure would recognize that tendency. Secondly, variable rate loans that are issued in today's environment show very low APR's, even though the high likelihood is that the rates will rise to historical average levels. I know I'm just adding complexity, but the disclosures (in my view) should reflect more of the thinking that a financially savvy person would consider--that is, if we are truly trying to give them useful information.