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Diane M. Casey
President & Chief Executive Officer

November 25, 2002

The Honorable James E. Gilleran
Director
Office of Thrift Supervision
Department of the Treasury
1700 G Street, NW
Washington, DC 20552

Re: Alternative Mortgage Transaction Parity Act; Preemption
Final Rule, 67 FR 60542 (September 26, 2002)

Dear Director Gilleran:

America's Community Bankers ("ACB")¹ respectfully requests a one-year extension of the effective date to January 1, 2004 of the final rule issued by the Office of Thrift Supervision ("OTS") revising its rules identifying the regulations under the Alternative Mortgage Transaction Parity Act ("AMTPA") applicable to state-chartered housing creditors, including state-chartered savings associations. The final rule provides that the OTS will no longer identify the regulations on prepayment fees and late charges for state-chartered housing creditors.

The effective date contained in the final rule is January 1, 2003. This final rule was issued on September 26, 2002. A three-month period is insufficient time for state housing creditors, including state-chartered savings associations, that have lending operations in multiple states to come into compliance with the array of state laws on prepayment penalties and late charges. This effective date will create unnecessary burdens and liability for effected lenders as mistakes will be likely. For state housing creditors lenders that operate in multiple states or nationwide, it is a complex task to research and analyze varying state laws for prepayment penalties and late charges. In the case of prepayment penalties particularly, many state statutes are multifaceted and difficult to interpret.

¹ ACB represents the nation's community banks of all charter types and sizes. ACB members, whose aggregate assets exceed \$1 trillion, pursue progressive, entrepreneurial and service-oriented strategies in providing financial services to benefit their customers and communities.

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After lenders determine which requirements are applicable to them based on the states in which they do business and the products they offer, they will need to revise operational procedures to ensure proper application of each law when drawing up loan documents. Loan origination systems will have to be revised to take the different requirements into account. These changes will have to be tested and perhaps revised if found to be inadequate.

Multi-state loan originators that use templates to draw up different loan documents for different states will have to revise the templates to include appropriate prepayment and late charge changes. Originators that are less automated will have to develop and distribute checklists for the different state requirements.

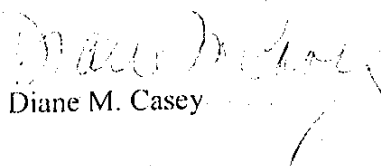
This change will impact procedures not only in lenders' document preparation, but also in setting up new loan information on their computer systems and in loan administration, collections, loan prepayment and auditing functions. Also, lenders need additional time to develop new audit and compliance review procedures to make sure that all of the complicated and inconsistent prepayment and late charge requirements are met. Training will have to be done to ensure compliance.

Systems changes generally must be made prior to the middle of the fourth quarter. There are so many year-end functions that must be performed that staff is not available to make the changes, test them and train other employees. This year in particular, many lenders are already making significant changes to their loan origination systems to meet the requirements of the revised Home Mortgage Disclosure Act. Given the date of issuance of the final rule, state housing creditors were given three months to determine and accomplish changes necessary. Failure to meet the deadline or sloppy implementation of the changes could result in fines, penalties and lawsuits for lenders.

For these reasons, we request that the effective date of the final regulation be January 1, 2004.

Thank you for considering ACB's request on this important matter. We stand ready to work with OTS to ensure that state housing credits can comply with this regulatory change without disruption to their businesses. If you need additional information or have any questions please contact Charlotte Bahin at (202) 857-3121 or cbahin@acbankers.org Janet Frank at (202) 857-3129 or jfrank@acbankers.org.

Sincerely,



Diane M. Casey