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July 20, 2000

CREATING OWNERSHIP AND ECONOMIC OPPORTUNITY

Manager, Dissemination Branch
Information Management and Services Division
Office of Thrift Supervision
1700 G Street, N.W.
Washington, DC 20552
Email: public.info@ots.treas.gov
fax (202) 906-7755

2000 JUL 20 P 1:57

Attn: Docket No. 2000-34

Dear Office of Thrift Supervision:

The Coalition for Responsible Lending (CRL) and the Center for Community Self-Help would like to submit this addendum to the comments on OTS' Responsible Alternative Mortgage Lending rulemaking submitted by email and fax on July 5, 2000.

CRL has added Michigan to the list of states that significantly restrict lenders' ability to impose prepayment penalties.¹ The Michigan statute states that for a mortgage secured by a single-family dwelling, a financial institution may not "charge a prepayment fee or penalty in excess of 1% of the amount of any prepayment made within 3 years of the date of the loan, or any prepayment fee or penalty at all thereafter, or prohibit prepayment at any time."²

I hope this additional information is useful to OTS as it considers the adverse impact that the Parity Act has on state attempts to protect family wealth by limiting prepayment penalties.

Sincerely,

Martin Eakes
Spokesperson, Coalition for Responsible Lending
CEO, Center for Community Self-Help

¹ See e.g., ALA. CODE § 5-19-4 (1999), ALASKA STAT. ANN. § 45.45.010 (Lexis 1998), CONN. GEN. STAT. ANN. §§ 36a-265(c), 519 (West 1996 & Supp. 2000), D.C. CODE ANN. § 28-3301 (1996), IND. CODE ANN. §§ 28-1-13-7.1, -15-11-14, -15-11-16 (Michie 1996 & Supp. 1999), §§ 535.9 (West 1997), § 528.4 (West 1993), LA. REV. STAT. ANN. § 9:3509, 32, § 9:3532, § 6:1097, § 6:1224 (West Supp. 2000), ME. REV. STAT. ANN. tit. 9-A, § 9-308 (West 1997), MASS. ANN. LAWS ch. 140, § 90A (Law. Co-op. 1995), ch. 183, § 56 (Law. Co-op. 1996), MICH. STAT. ANN. § 19-176-19.15(1c), MINN. STAT. ANN. § 47.20, MISS. CODE ANN. § 75-17-31, § 89-1-317 (1999), MO. ANN. STAT. § 408.036 (West Supp. 2000), NEB. REV. STAT. ANN. § 8-330 (Michie 1995), N.J. STAT. ANN. § 46:10B-2 (West 1989), N.M. STAT. ANN. § 56-8-30 (Michie 1996), N.Y. REAL PROP. LAW § 254-a (McKinney 1989), N.C. GEN. STAT. § 24-1.1A(b), 41 PA. STAT. ANN. § 405 (1999), R.I. GEN. LAWS § 34-23-5 (Supp. 1999), TEX. FINANCIAL CODE ANN. § 302.102 (West Supp. 2000), VA. CODE ANN. § 6.1-330.83 (Michie 1999), W. VA. CODE § 47-6-5b (1999), WIS. STAT. ANN. § 138.051 (West Supp. 1999)

² MICH. STAT. ANN. § 19-176-19.15(1c).