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Subject: Truth in Lending

Comments:

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Comments:

Reg Z, R-1340. The proposed changes made by the MDIA seem to cover all consumer transactions where a lien on any residence owned by a consumer, which includes home improvement loans, although they weren't specifically mentioned in the examples, in reference to changes in Sec. 226.19(a)(1)(i). In Texas, the consumer must already wait 5 days before being allowed to close on a home improvement loan secured by a dwelling. In all instances, waiting an additional 7 days after early disclosures are sent out is too long a time period to delay the consummation (closing) of most of these loans, however, perhaps the 5 day rule would be acceptable. Also, in Texas, there is already a 12 day waiting period for closing either a Home Equity Loan or Line of Credit, so for those types of loans, this 5 or 7 day delay is a mute point. The redisclosure requirements of Sec 226.19(a)(2) did not spell out what the "specific tolerance" is, but it should not be a too restrictive figure. Most borrowers will be involved in ascertaining the costs of the loan, however, minor variances should not delay the consummation process unduly. And further delays don't seem reasonable if the consumer is allowed to Waive them. This will just set up a routine of having the Waiver become a practice rather than an exception which is what it was intended for. With regard to the "general definition" of "business day" in Sec. 226.2(a)(6), it should be the same in all cases and across all regulations, and should be set as "all calendar days except Sundays and specified federal legal public holidays" and remove the phrase dealing with "on which the creditor's offices are open to the public for carrying on substantially all of its business functions." In Sec. 226.19(a)(3), there may be many instances where damage to the home would require immediate action, and that should be included in the examples of situations where the consumer is allowed to Waive the delayed consummation of the loan. With regard to requiring additional new disclosures on HELOC plans would serve no purpose as most consumer who obtain these types of credit understand the rates & terms or they wouldn't apply for the credit. They sign loan documents at closing that include the information about rate & APR & payment estimates and that should be sufficient. It is my opinion that further delays in consummation and the generation of more paper will not benefit the consumer in any measurable way. They basically want to know how much they must have for a loan closing, what the simple interest rate will be & what their monthly payment will be. Why not

try to simplify this rather than making it far more complicated to get a loan!
I appreciate the opportunity to submit my comments. Sincerely yours, Karen A.
Schoenbucher