

February 3, 2009

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Re: Docket No. R-1340

Dear Ms. Johnson:

DHI Mortgage (“DHIM”) is a subsidiary of D.R. Horton, Inc., the largest homebuilder in America by units closed for the last six consecutive years. DHIM employs ~500 people in 18 states, while D.R. Horton employs ~3,300 employees across the country. The primary mission of DHIM is to:

- Facilitate the financing and sale of new D.R. Horton homes,
- Assist D.R. Horton in the efficient control of their contract inventory (“backlog”).
- Assist borrowers outside of the D.R. Horton communities with their home purchase and refinance transaction needs
- Provide a fair price, quality products, and excellent service experience to every customer

D.R. Horton and DHIM customers are primarily first time and first time move-up homebuyers.

With the understanding that the financial services market is currently experiencing a tumultuous upheaval, through which revised regulation and guidelines are being considered, we are raising concerns that the suggested changes to Regulation Z

implementing the provisions of the Mortgage Disclosure Improvement Act will have a negative impact on the borrowers whom the regulations were designed to protect.

Delaying a loan closing for seven days and in some cases more than ten days is not only unnecessary, it is onerous. It implies that borrowers are unsuited to make an intelligent comparison between vendors in a reasonable time period. In addition, this forced delay will subject a multitude of borrowers to potentially insurmountable challenges in their home buying experience. Delays of that magnitude could subject them to; loan rate expiration issues, increased costs due to temporary housing, late closing penalties, contract nullification, moving expense scheduling costs and the unwarranted addition of stress upon familial and employment relationships considering the potential delays in closing.

With the understanding that borrowers need to have an opportunity to review and compare unexpected material changes prior to sitting at the closing table, we suggest that the MDIA reduce the delay in closing to a 24 hour time period following the lead of the state of Illinois. In addition, we request that the MDIA broaden the tolerance variance which requires a re-disclosure. An increase in the interest rate of more than .50% or an increase in payment of PITI more than 5% allow for more realistic parameters as well as meaningful variances for borrowers. If these tolerances are exceeded, the 24 hour period offers sufficient time for a consumer to review their disclosures and if the disclosures are deemed to be inaccurate, as defined by Regulation Z, will open an additional 24 hour wait period. We anticipate a significant protest from borrowers when they are required to wait in some cases more than ten business days to close on their loan.

We do agree that the option to “waive” the waiting period remain. We propose that the customer should be able to “waive” both (1) The seven business day waiting period after early disclosures are made; and (2) the three business day waiting period, if the creditor is required to make corrected disclosures. However, there needs to be a more reasonable definition of “bona fide personal financial emergency.” Impending home foreclosure, while clearly a personal financial emergency is at the extreme end of an emergency. In today’s challenging economic times, increased costs due to a myriad of reasons (as described above) could create desperate if not catastrophic issues for many borrowers.

In the interest of the borrowers, we feel it is important that the revision should take into consideration that the change in disclosures could in fact be initiated by the borrower themselves wishing to adjust their loan terms and down payment. In this scenario or the situation of over disclosure, we feel the variance of parameters in the triggering of a new disclosure should be expanded as these events are not predicated on issues which would be deemed as detrimental to the borrowers.

As a logistical issue, when adhering to timeframes, the definition of "business day" should be the precise definition and should be defined in all regulations as "all calendar days except Sundays and specified federal legal public holidays." In today's world, business is often transacted six, if not seven days per week. The precise definition exemplifies a more accurate interpretation of this reality.

DHIM appreciates the opportunity to provide comments, and submit suggestions related to the proposed amendments. While well-intended, if the revisions are implemented as proposed, will only result in increased expenses, confusion and delays for borrowers in their quest to fulfill the American dream of home ownership.

Sincerely,



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