

**CORNERSTONE MORTGAGE GROUP, LTD.**

An Illinois Residential Mortgage Licensee

June 10, 2002

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Regulation Comments  
Chief Counsel's Office  
Office of Thrift Supervision  
1700 G Street, NW  
Washington, D.C. 20552  
Attn: Docket No. 2002-17

Re: Proposed Revisions to Parity Act Regulations

Gentlemen:

As a member of the Illinois Association of Mortgage Brokers (the "IAMB") an Illinois trade association representing Illinois residential mortgage origination companies, mortgage lenders and their industry vendors, I am very concerned about the proposed changes to The Parity Act.

It is important to have all residential mortgage lenders treated equally under rules that govern residential mortgage loan origination. In fact, I welcome federal rules that apply to all such entities such as the Real Estate Settlement and Procedures Act ("RESPA") and the Truth in Lending Act ("TILA"). Our companies intention is to seek a "level playing field" under which all mortgage origination companies/ lenders are governed by and follow the same set of clearly defined rules.

I strongly support the Alternative Mortgage Transaction Parity Act (the "Parity Act") since by its very essence it places all lenders, whether state or federal on the same "level playing field" as to the defined subset of "alternative mortgages". The State of Illinois has never "opted out" of the Parity Act and since its inception in 1982 licensed Illinois lenders were allowed to originate such mortgages on an equal footing with federally chartered lenders. We believe that the offering of such mortgage products by both state and federally chartered lenders has led to increased competition with direct benefits to Illinois consumers.

We strongly object to deleting certain OTS regulations which are now applicable to Illinois non-federally licensed lenders as such sections relate to late charges (Section 560.33) and prepayment penalties (Section 560.34). The result of such a rules charge can only benefit non-state chartered lenders (i.e. federally chartered banks and thrifts) giving them a tremendous competitive advantage over state licensed lenders - all to the detriment of Illinois consumers.

Very truly yours,

  
Michael E. O'Neill  
President

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