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Regulation Comments  
Chief Counsel's Office  
Office of Thrift Supervision  
1700 G. Street, N.W.  
Washington, D.C. 20552

ATTN: DOCKET NO. 2002-17

RE: NOTICE OF PROPOSED RULEMAKING/OTS PROPOSAL  
RE PREPAYMENT FEES AND LATE CHARGES ("PROPOSAL")

To the Office of Thrift Supervision ("OTS"):

I am writing to comment on the Notice of Proposed Rulemaking regarding Parity Act Preemption issued by your office and published in the Federal Register on April 24, 2002. This law firm handles residential real estate mortgage transactions from various residential borrowers and lenders, including state licensed or state chartered "housing creditors" as that term is defined in the Alternative Mortgage Transaction Parity Act, 12 U.S.C. Section 3801 *et seq* ("Parity Act"). Some of those lenders offer "alternative mortgage transactions" (AMT's) as defined in the Act. I am concerned that the proposed Act will hinder the ability of those lenders to remain in business, leaving consumers with fewer options among the remaining large institutional lenders.

The proposal seeks to delete the prepayment penalty and late charge regulations from the list of regulations OTS identifies as "appropriate and applicable" to housing creditors making AMTs subjecting those creditors to state law limitations. Although Connecticut presently does not impose such limitations, I am aware that they are in effect in other states and I believe that the proposal would nevertheless impede the ability of AMTs to make competition loans in this state.

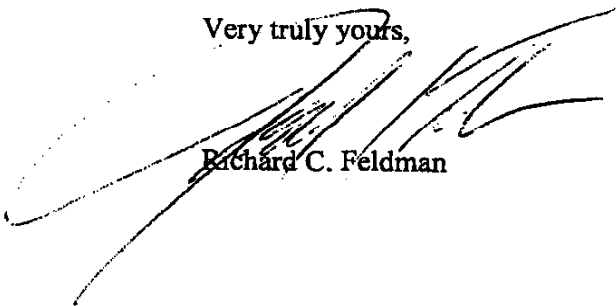
Presently residential borrowers unable to obtain "conventional" mortgages from institutional lenders have the ability to obtain financing from AMTs. Our experience has been that as the number of banks offering conventional financing continues to decrease

through mergers and consolidation, the mortgage requirements and procedures become more rigid and institutionalized and their mortgage departments became less responsive to consumers needs. AMTS provide an alternative to borrowers who do not fall within the strict underwriting guidelines of these large institutions.

The ability to charge prepayment penalties and late charges enables AMTs to offer their products to consumers. The late charges and prepayment penalties shift the cost of delinquency to those borrowers who do not meet their obligations. There will always be a market for AMTs and the effect of the proposal will have a negative impact upon consumers by limiting the products available to them and by causing the remaining AMTs to increase their costs in order to remain in business, rather than protect consumers from those that need this type of financing will be penalized and left to resort to the truly predatory lenders that exist in the shadows of every community.

Thank you for your consideration.

Very truly yours,



Richard C. Feldman

RCF:ja