

The Honorable Mick Mulvaney  
Acting Director  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20552

Dear Acting Director Mulvaney:

The undersigned banks, who write to you on behalf of impacted financial institutions across the nation, are reaching out for your assistance in correcting unintended consequences of the Know Before You Owe regulations, otherwise known as the TILA-RESPA Integrated Disclosure (TRID) rule.

Prior to the implementation of TRID, single-family residential construction loans were exempt from RESPA-related regulation because they were classified as temporary loans covering construction services. However, the new rules under TRID now extend regulatory coverage to construction financing and require extensive cost and term disclosures, which are really intended for 30-year mortgages, not short-term, construction-only loans. The application of the TRID disclosures to single-family construction loans for owners/borrowers generates new requirements for multiple disclosures throughout the underwriting and construction process. These are often preliminary, and therefore don't reflect the true final loan terms that apply to the finance of the residential property, resulting in confusion – not clarity – for the borrower.

For lenders, the confusion surrounding these disclosures has led to compliance difficulties that have been exacerbated by additional uncertainties in their application to specific construction projects. As a direct result, many financial institutions across the nation have ceased this type of lending rather than face potential liability for inadvertent errors. This lender flight has resulted in a severely curtailed marketplace for borrowers seeking to build or rebuild, which has been particularly problematic in regions seeking to recover following several recent natural disasters, which include hurricanes, floods, mudslides, wildfires and volcanic eruptions.

To alleviate the negative impact of this TRID rule, the most direct course of action is a revision to the current rule that will correct the misapplication of the disclosures, coupled with a reduction in liability enforcement until the revised rule can be crafted and implemented. Due to the significant number of lenders nationwide who have exited this lending market as a result of the increased regulatory requirements, we also urge the Bureau to adopt a much more straightforward disclosure process for this type of short-term construction loan, where the bank can provide the following information in any format it chooses (i.e. a letter or a memorandum): loan amount, interest amount, term of the loan and loan funding/disbursement schedule. This type of disclosure should give the lender flexibility to meet the unique needs of his/her borrower, as well as provide the borrower with clear and concise details about the fundamental aspects of the construction loan.

A recent telephone meeting arranged by the American Bankers Association with staff at the Bureau was helpful because it provided the opportunity for a few bankers to explain in detail, the specific problems caused by this rule and the urgent need to identify solutions. We are appreciative of the receptiveness of expert staff at the Bureau, but we advise that these

problems are pressing and immediate, and additional regulatory instruction or guidance will not, alone, solve the problems.

We have included a white paper that provides further background on this issue, and would be glad to meet with you and your staff as needed to provide additional assistance. The American Bankers Association has offered to coordinate any meetings or further conversations that may be necessary. The points of contact at the ABA are Rod Alba, SVP and Sr. Regulatory Counsel, and Joseph Pigg, SVP and Sr. Counsel. They can be reached at 202-663-5592 (Alba) or 202- 663-5480 (Pigg).

Thank you in advance for your attention to this very important matter. We look forward to working with you and the Bureau to remedy this situation as soon as possible.

Sincerely,

Betsy Lawer  
Chair and CEO  
First National Bank Alaska  
Anchorage, AK 99503

Steve Lundgren  
President and CEO  
Denali State Bank  
Fairbanks, AK 99701

Patty Mongold  
President and CEO  
Mt. McKinley Bank  
Fairbanks, AK 99701

William Moran  
Chairman, President and CEO  
First Bank  
Ketchikan, AK 99901

Joe Schierhorn  
Chairman, President and CEO  
Northrim Bank  
Anchorage, AK 99503

Collins Davis  
Chief Financial Officer, Director  
State Bank & Trust  
Winfield, AL 35594

J. Robbin Thomas  
Executive Vice President,  
Enterprise Market President  
Trinity Bank  
Enterprise, AL 36330

Brian Riley  
President and CEO  
Mohave State Bank  
Lake Havasu City, AZ 86403

Jeffrey Devine  
President and CEO  
American Riviera Bank  
Santa Barbara, CA 93101

James Ford  
President and CEO  
Central Valley Community Bank  
Fresno, CA 93720

John Hou  
President and CEO  
Asian Pacific National Bank  
San Gabriel, CA 91776

Bruce Jay  
President and CEO  
Valley Republic Bank  
Bakersfield, CA 93309

Thomas E. Meyer  
President and CEO  
1st Capital Bank  
Salinas, CA 93901

Steven Miller  
President and CEO  
Fresno First Bank  
Fresno, CA 93711

Martin E. Plourd  
President and CEO  
Community West Bank, N.A.  
Goleta, CA 93117

Janet Silveria  
President and CEO  
Community Bank of Santa Maria  
Santa Maria, CA 93454

Paul W. Simmons  
Chairman, President and CEO  
First Federal Savings and Loan  
Association of San Rafael  
San Rafael, CA 94901

Donavon P. Ternes  
President, COO and CFO  
Provident Savings Bank, F.S.B.  
Riverside, CA 92506

Virginia Varela  
President and CEO  
Golden Pacific Bank  
Sacramento, CA 95814

Louise Walker  
President and CEO  
First Northern Community  
Bancorp  
Dixon, CA 95620

Steve Teruya  
President and COO  
Finance Factors  
Honolulu, HI 96813

Steve Albrecht  
President  
City State Bank  
Norwalk, IA 50211

Thomas Bates  
President and CEO  
County Bank  
Sigourney, IA 52591

Donald J. Coffin  
President and CEO  
Bankers Trust  
Des Moines, IA 50309

Susan Daley  
Chief Executive Officer  
Walcott Trust and Savings Bank  
Walcott, IA 52773

Keith Garms  
President and CEO  
FreedomBank  
Elkader, IA 52043

Joshua Guttan  
Chief Executive Officer  
TS Bank  
Treynor, IA 51575

Kevin D. Halterman  
Chief Executive Officer  
Peoples Savings Bank  
Indianola, IA 50125

Kevin J. Swalley  
Chief Executive Officer  
GNB Bank  
Grundy Center, IA 50638

Mary Jo Homan  
Vice President and Treasurer  
Chester National Bank  
Chester, IL 62233

Michael King  
President and CEO  
Peoples Bank of Macon  
Macon, IL 62544

Jon Kranov  
Chief Executive Officer  
Ottawa Savings Bank  
Ottawa, IL 61350

Melissa A. Laue  
Assistant Vice President -  
Lending  
The First National Bank  
Mattoon, IL 61938

Gary W. Marquis  
Vice President - Lending  
The First National Bank  
Mattoon, IL 61938

Edward A. Mollo  
President  
Streator Home Savings Bank  
Streator, IL 61364

Craig M. Swight  
Chief Executive Officer  
Horizon Bank  
Michigan City, IN 46360

Scott Cote  
Chief Executive Officer  
Horizon Bank  
Haverhill, MA 01831

Gary Barnoff  
President and CEO  
Jarrettsville Federal Savings &  
Loan Association  
Jarrettsville, MD 21084

Lloyd Beatty  
President and CEO  
Shore Bancshares, Inc.  
Easton, MD 21601

Patrick Bilbrough  
President and CEO  
Shore United Bank  
Easton, MD 21601

James Bosley  
President  
Farmers and Merchants Bank  
Hampstead, MD 21074

Kevin Cashen  
President and CEO  
Queenstown Bank  
Queenstown, MD 21658

David Costello  
President and CEO  
Arundel Federal Savings Bank  
Burnie, MD 21061

Robert Goetz  
President and CEO  
Middletown Valley Bank  
Middletown, MD 21769

Charles Jacobs  
President and CEO  
Harford Bank  
Aberdeen, MD 21001

Kim Liddell  
President and CEO  
1880 Bank  
Cambridge, MD 21613

Carissa Rodeheaver  
President and CEO  
First United Bank & Trust  
Oakland, MD 21550

Mary Ann Scully  
Chief Executive Officer  
Howard Bank  
Baltimore, MD 21224

Raymond Thompson  
President and CEO  
Calvin B. Taylor Bank  
Berlin, MD 21811

Glenn Wilson  
President and CEO  
Chesapeake Bank and Trust  
Company  
Chestertown, MD 21620

Eric Beckhusen  
Chairman and CEO  
Century Bank and Trust  
Coldwater, MI 49036

Julie Bolt  
VP-Default Servicing  
Isabella Bank  
Mt. Pleasant, MI 48858

Heather D. Brolick  
President and CEO  
Community Shores Bank  
Muskegon, MI 49441

Alessandro P. Dinello  
President and CEO  
Flagstar Bank  
Troy, MI 48098

Richard E. Dryer  
President and CEO  
Edgewater Bank  
St. Joseph, MI 49805

Scott E. Evans  
President and CEO  
Homestead Savings Bank  
Albion, MI 49224

Patrick J. Fehring  
Chairman, President and CEO  
Level One Bank  
Farmington Hills, MI 48334

Rick Goedert  
President and CEO  
1st State Bank  
Saginaw, MI 48604

Mick Goik  
President and COO  
Crestmark  
Troy, MI 48098

Craig Goodlock  
Chairman and CEO  
Farmers State Bank of Munith  
Munith, MI 49259

Ronald Hann  
President and CEO  
Macatawa Bank  
Holland, MI 49424

David G. Kashian  
President and CEO  
The First National Bank & Trust  
Co. of Iron Mountain  
Iron Mountain, MI 49801

Philip Koning  
President and CEO  
West Michigan Community  
Bank  
Hudsonville, MI 49426

Mark Larche  
President and CEO  
The State Savings Bank of  
Manistique  
Manistique, MI 49854

Ron Long  
President and CEO  
First National Bank  
Howell, MI 48843

Jeffrey Loomis  
President and CEO  
Huron Community Bank  
East Tawas, MI 48730

Michael Mahler  
EVP, Managing Director  
mBank  
Alpena, MI 49707

Mike Manica  
President and CEO  
United Bank of Michigan  
Grand Rapids, MI 49546

Timothy Marshall  
President and CEO  
Bank of Ann Arbor  
Ann Arbor, MI 48104

Jeanne E. Richter  
President and CFO  
Farmers State Bank of Munith  
Munith, MI 49259

Peter Schork  
President and CEO  
Ann Arbor State Bank  
Ann Arbor, MI 48104

Robert N. Shuster  
EVP and CFO  
Independent Bank  
Grand Rapids, MI 49525

J. David Vlahos  
President and CEO  
Superior National Bank and Trust  
Hancock, MI 49930

William White  
Chairman and President  
Dearborn Federal Savings Bank  
Dearborn, MI 48124

Sandra Willis  
President and CEO  
Exchange State Bank  
Carsonville, MI 48419

Michael L. Worden  
President and CEO  
Honor Bank  
Honor, MI 49640

Robert Worthington  
COO and General Counsel  
Mercantile Bank of Michigan  
Grand Rapids, MI 49504

Jim Graham  
President and CEO  
Woodsville Guaranty Savings  
Bank  
Woodsville, NH 03785

Dan Morrison  
Chairman, President and CEO  
Optima Bank & Trust  
Portsmouth, NH 03802

Mark Pitkin  
President and CEO  
Sugar River Bancorp, MHC  
Newport, NH 03773

Rick Wallis  
President and CEO  
Piscataqua Savings Bank  
Portsmouth, NH 03801

Todd D. Brice  
President and CEO  
S & T Bank  
Indiana, PA 15701

Gene Draganosky  
President and CEO  
York Traditions Banks  
York, PA 17402

William P. Hayes  
Chairman and CEO  
Kish Bank  
State College, PA 16803

William J. Hieb  
President and CEO  
DNB First  
Downington, PA 19335

Joseph W. Major  
Bank Leader, Chairman and CEO  
The Victory Bank  
Limerick, PA 19468

George Brannies  
Chairman  
Mason Bank  
Mason, TX 76856

Warren T. Briggs  
Vice-Chairman, CEO  
Panola National Bank  
Carthage, TX 75633

Wade Donnell  
Chief Executive Officer  
The National Bank of Texas at  
Fort Worth  
Fort Worth, TX 76106

Richard H. Hereford  
Chief Executive Officer  
First National Bank of Anderson  
Anderson, TX 77830

Steve Holt  
President and CEO  
First State Bank  
Bridgeport, TX 76426

Wes Hoskins  
President and CEO  
First Community Bank  
Corpus Christi, TX 78401

David Kapavik  
President and CEO  
South Star Bank  
Moulton, TX 77975

Mark A. Long  
President and CEO  
First Commercial Bank, N.A.  
Seguin, TX 78155

Monte Lyckman  
President and CEO  
Menard Bank  
Menard, TX 76859

Gilbert Narvaez, Jr.  
President and CEO  
Falcon International Bank  
Laredo, TX 78041

Joe Nichols  
Chairman and CEO  
State Bank of De Kalb  
Texarkana, TX 75503

Reid Sharp  
President and CEO  
First National Bank of Bastrop  
Bastrop, TX 78602

Mike Shipman  
Chairman of the Board and CEO  
North Dallas Bank & Trust Co.  
Dallas, TX 75230

Roy Thompson  
President and CEO  
Texas Hill Country Bank  
Bandera, TX 78003

Kathy Tittle  
President and CEO  
Community Bank  
Longview, TX 75606

Dale K. Wilson  
Chairman of the Board,  
President and CEO  
San Diego, TX 78384

Douglas R. Bruins  
President  
Citizens Bank  
Big Bend, WI 53103

Cynthia Erdman  
President  
Partnership Bank  
Tomah, WI 54660

Dirk R. Gasterland  
Chief Executive Officer  
Coulee Bank  
La Crosse, WI 54601

Donna J. Hoppenjan  
President and CEO  
Mound City Bank  
Platteville, WI 53818

Gerald H. Jacobson  
President  
Northwestern Bank  
Chippewa Falls, WI 53050

Richard A. Larson Jr.  
President and CEO  
Mayville Savings Bank  
Mayville, WI 53050

Daniel J. Peterson  
President and CEO  
The Stephenson National Bank  
& Trust  
Marinette, WI 54143

Marty Reinhart  
Chief Executive Officer  
Partners Bank  
Marshfield, WI 54449

John Soderberg  
Chief Executive Officer  
First National Community Bank  
New Richmond, WI 54017

Thomas E. Spitz  
Founder and CEO  
Settlers Bank  
Windsor, WI 53598

Tom Van Pelt  
President and CEO  
Citizens State Bank  
Hudson, WI 54016

David P. Werner  
President and CEO  
Park Bank  
Milwaukee, WI 53202