

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF RHODE ISLAND

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In re:

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MARTIN LOMBARDI and		BK No. 94-12727
DEBORAH LOMBARDI	:	Chapter 7
Debtors		
MARTIN LOMBARDI and	:	
DEBORAH LOMBARDI		
Plaintiffs	:	
vs.		A.P. No. 95-1045
DOMESTIC LOAN AND INVESTMENT BANK	:	
Defendant and Third		
Party Plaintiff	:	
vs.		
RHODE ISLAND HOME IMPROVEMENT, INC.:		
Third Party Defendant		

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TITLE: *Lombardi v. Domestic Loan and Inv. Bank (In re Lombardi)*

CITATION: 195 B.R. 569 (Bankr. D.R.I. 1996)

ERRATA

The following correction should be noted in the DECISION & ORDER:
(1) DENYING CROSS MOTIONS FOR SUMMARY JUDGMENT; AND (2) DETERMINING
REAL ESTATE MORTGAGE TO BE VOID, entered by this Court on April 19,
1996, in the above captioned case:

Page 6, paragraph beginning: "As a result of these violations.
. . ." is **corrected, to read as follows:**

"As a result of these violations, and pursuant to 15 U.S.C.
§ 1635, the Debtors' three day right of rescission was extended for
three years,¹ i.e., until either May 13, 1995, **three years from the**

¹ The consumer may exercise the right to rescind
until midnight of the third business day

date of the first contractual dealing; or sometime in August 1995, three years from when the work was completed; or September 26, 1995, three years from the date of execution of the note, mortgage, and disclosures. It really doesn't matter which date is the operative one -- under any scenario the Debtors' request for rescission is timely.

Based upon the foregoing, the Debtors' request to rescind the agreement is GRANTED, the mortgage is declared void, see *Perkins v. Mid-Penn Consumer Discount Co. (In re Perkins)*, 106 B.R. 863, 874 (Bankr. E.D. Pa. 1989), and judgment should enter for the Debtor-Plaintiffs."

Dated at Providence, Rhode Island, this 30th day of May, 1996.

/s/ Arthur N. Votolato
Arthur N. Votolato
U.S. Bankruptcy Judge

following consummation, delivery of the notice required by paragraph (b) of this section, or delivery of all material disclosures, whichever occurs last. If the required notice or material disclosures are not delivered, the right to rescind shall expire 3 years after consummation, upon transfer of all of the consumer's interest in the property, or upon sale of the property, whichever occurs first.

12 C.F.R. § 226.23 (a)(3)(footnote omitted). See also *French v. Wilson*, 446 F. Supp. 216 (D.R.I. 1978) (holding that right to rescind is continued for three years where lender failed to inform borrowers of 72 hour right of rescission nor made any other effort to cure other disclosure defects).