

October 15, 2007

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National Credit Union Administration  
Mary Rupp, Secretary of the Board  
1775 Duke Street  
Alexandria, VA 22314-3428

Subject: Proposed Illustrations of Consumer Information for Subprime Mortgage Lending

Dear Ms. Rupp:

Boeing Employees' Credit Union (BECU) appreciates the opportunity to provide comments on the proposed Illustrations of Consumer Information for Subprime Mortgage Lending. BECU is a state-chartered, federally insured credit union with assets of \$7.5 billion and a membership base of over 500,000.

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We have provided our input on the issues that NCUA and the other agencies have requested comments on:

1. Would the disclosures, as proposed, be useful for creditors to use to implement the "Consumer Protection Principles" portion of the Subprime Statement? If not, what changes would need to be made?

We feel the disclosures would be useful if they are provided at the time of application or as early disclosures. However, they should be revised so that they are informational and general to the industry (ex: delete "will" and replace with "may") and Illustration 1 should be written more along the lines of "Is an Adjustable Rate Mortgage Right for You?" Otherwise, Lenders should be allowed to modify the content to reflect terms that apply to the Lender's loan product or program. Only a few of the specific terms listed on the Illustration 1 apply to BECU's products. Additionally, it doesn't address the risks involved with variable rate loan terms that allow rate changes that create negative amortization or interest-only loans.

2. Would the proposed disclosures be useful in promoting consumer understanding of the risks and material terms of certain adjustable rate mortgage products or do changes need to be made?

Yes. We feel they would be more informative for those members who take the time to read it. The member may make more informed decisions regarding the mortgage terms they are interested in. However, these disclosures are competing for attention with other Regulation Z variable rate disclosures. There is some redundancy between all of the disclosures that may create an informal "overkill" for members.

3. Are the proposed disclosures in a clear manner and format?

Illustration 1 has a clear manner and format. Illustration 2 (tabular boxes) is not clear in manner or format. We believe it would be confusing to applicants and, if implemented, would require an explanation of its intent and content.

4. Should they be adopted by the regulators?

We agree that it is important for our members to make informed decisions about any risks involving a type of mortgage loan product as some mortgage brokers and lenders are taking advantage of borrowers.



5. Are there additional illustrations relating to certain ARM products that would be useful to consumers and creditors?

No. We believe the best method is to keep the illustrations simple and address the information generally. The existing regulatory disclosures are already specific to the applicable loan product.

6. Have you developed any type of information material that is provided to the consumer similar to these disclosures that have been useful?

No, we have not had issues of this nature that ever created a need for us to do so. Many of the practices listed in the Illustrations are not used by us. For the few that are, BECU structures those loan product terms to the benefit of the member.

Thank you for allowing us the opportunity to provide comments on this proposal. We look forward to the outcome.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Brancucci". The signature is fluid and cursive, with a large initial "J" and "B".

Joe Brancucci  
Vice President – Product and Delivery Channels and Chief Lending Officer  
President – CEO, Prime Alliance Solutions, Inc.