

City of Santa Fe, New Mexico

200 Lincoln Avenue, P.O. Box 909, Santa Fe, N.M. 87504-0909

Larry A. Delgado, *Mayor*
Jim Romero, *City Manager*

293

Councilors:

Carol Robertson-Lopez, Mayor Pro Tem, Dist. 4
Patti J. Bushee, Dist. 1
David Pfeffer, Dist. 1
Karen Heldmeyer, Dist. 2
Rebecca Wurzbarger, Dist. 2
Miguel M. Chavez, Dist. 3
David Coss, Dist. 3
Matthew E. Ortiz, Dist. 4

July 16, 2002

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552

Attention: Docket No. 2002-17

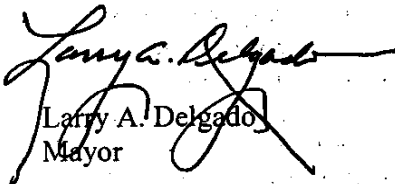
To Whom It May Concern:

As a member of the National Community Reinvestment Coalition (NCRC), the City of Santa Fe strongly supports the proposed changes to the Office of Thrift Supervision's (OTS) regulations implementing the Alternative Mortgage Transaction Parity Act (AMTPA). Congress passed AMTPA in 1982 during a high interest rate environment in order to provide state-chartered institutions the ability to offer adjustable rate mortgages (ARMs) and other alternative mortgages. However, AMTPA has outlived its usefulness. Currently, AMTPA allows institutions to preempt state limits regarding prepayment penalties and late fees on alternative mortgages.

The OTS correctly notes in its proposal that prepayment penalties and late fees are not integral elements of alternative mortgages. According to NCRC, predatory lenders are using AMTPA and other existing OTS regulations to evade state law on mortgages and prey upon unsuspecting borrowers. This raises many concerns as a recent fair lending study indicates that subprime lending is on the rise in minority and low-income neighborhoods in Santa Fe.

We applaud the OTS for proposing this change to their AMTPA regulations and ask the OTS to implement this change as quickly as possible.

Sincerely,


Larry A. Delgado
Mayor

"Committed to our community, and making a difference"