

**From:** Hubert VanTol [hvantol@ruralinc.org]  
**Sent:** Monday, May 07, 2007 2:16 PM  
**To:** Comments, Regs  
**Cc:** Lee Beaulac; Josh Silver  
**Subject:** Docket No. 2007-09; Proposed Subprime Guidance  
Regulation Comments  
Chief Counsel's Office  
Office of Thrift Supervision  
1700 G Street NW  
Washington, DC 20552

Sent by email to: [Regs.comments@ots.treas.gov](mailto:Regs.comments@ots.treas.gov)

Attention: Docket No. 2007-09; Proposed Subprime Guidance

May 7, 2007

To Whom It May Concern:

Rural Opportunities Inc. (ROI) agrees with the National Community Reinvestment Coalition that the proposed guidance to subprime lenders will lessen mortgage defaults and foreclosures and will help consumers. Many borrowers are talked into loans that are not in their best interest by brokers who have relationships with multiple lenders, so getting as many lenders as possible to follow this guidance will help protect borrowers. ROI provides homebuyer counseling, education and financial assistance to low- and moderate-income first time home buyers. ROI helps place approximately 350 low and moderate income individuals and families in their first home each year.

By requiring an assessment of a borrower's ability to repay at the maximum possible interest rate, your proposed guidance will ensure that borrowers will be able to afford subprime adjustable rate (ARM) loans. Rural Opportunities also supports your guidance in discouraging onerous prepayment penalties and unwise use of low documentation loans. We urge your agency to implement these proposed changes as soon as possible.

Many borrowers who took out 2/28 and 3/27 subprime loans are subject to unpredictable future costs. Predatory loans, such as these, offer a two-year fixed rate and then can lead to jumps of 50% or more in monthly payments. In addition to our first time home buyer program, ROI manages a foreclosure prevention program in the northwest counties of Ohio. We are seeing a dramatic rise in calls from home buyers who have been sold bad loans. We believe that it is incumbent on the regulatory agencies to react quickly to protect borrowers by placing more responsibility on the lenders to make sure that the loans they are originating are actually in the best interests of the borrowers.

Thank you for your consideration of this important matter. If you have any questions, please contact our Director for Economic Justice, Mr. Hubert Van Tol at 585-340-3324.

Sincerely,



Lee Beaulac  
Senior VP for Community & Economic Development

cc. National Community Reinvestment Coalition