

From: bc642@scn.org
Sent: Wednesday, July 05, 2000 3:53 PM
To: public.info@ots.treas.gov
Subject: Docket No. 2000-34

July 5th, 2000

Atten. Docket No. 2000-34

Comment on Responsible Alternative Mortgage Lending Rulemaking

Dear Office of Thrift Supervision:

First and foremost OTS should begin immediate rulemaking guidelines for regulatory purposes to prevent federal thrifts from engaging in predatory lending practices and needs to be able to include all federal thrifts, their affiliates, and subsidiaries of their home or parent companies. The time is now to begin to set appropriate standards and conduct guidelines for these financial entities that engage in subprime (predatory) lending

activities. Interest rates higher than 5 - 10 % above and beyond conventional lending rates need to be better regulated by your agency that haven't been during the last few years and have allowed the borrower to oftentimes default , damage their credit history, or cause financial distress to these borrowers. Stories of 500 % interest rates for a 200.00 loan stink. The OTS should prohibit such abuse and stop the agreements that are also being attached to home , car , consumer , payday , and like credit terms by these financial whiteshirts that include prepayment penalties, exorbitant insurance premiums, suspension of debt cancellation clauses and other non consumer friendly contract legalese wording that essentially is predatory in nature. The OTS should also clearly look at the effect of "balloon payment" terms of alot of these business contracts. There is oftentimes a clear misunderstanding by consumers of this provision. It needs to be carefully communicated to the signer of the legal document that the condition which would trigger the balloon payment is " - - - - -" in large type or provide a allowance for the signer another option (say double his credit payment for the month). I couldn't begin to imagine the immediate consternation of a borrower when told that a large sum total payment would be do in a matter of days because of a technicality that triggered the balloon payment in the contract. It just doesn't sound american to allow this to happen to most honest, hardworking people. OTS should also look at the way these financial institutions steer consumers

into these very costly contracts to begin with. These are the last people who need to be taken "to the cleaners" by getting only the most expensive loan conceivable - "take it or leave it".

I expect OTS to represent the lending industry with a fair, moral, and ethical approach to financial commercial lending regulatory supervisory powers. Not to be the rubber-stamp for predatory lenders.

Thank You
Scott Species
1814 MINOR AVE.

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SEATTLE, WA.

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