

Subject: Reg V Risk Based Pricing

Date: May 19, 2008

Proposal: FACT Act Risk-Based Pricing Rule

Document ID: R-1316

Document Version: 1

Release

Date: 05/08/2008

Name: Kevin N Mitchell

Affiliation: Peoples Bank

Category of Commercial

Affiliation:

Address: 5820 82nd Street

City: Lubbock

State: TX

Country: UNITED STATES

Zip: 79424

PostalCode: 79424

Comments:

RE: Proposed Rules on Risk-Based Pricing Notices I believe that The Board did an excellent job of addressing how to effectively implement this difficult section of the FACT Act. § The fact that the Agencies determined that “. . . it may not be operationally feasible in many cases for creditors to compare the terms offered to each consumer with the terms offered to other consumers to whom the creditor has extended credit.” 1 , is evidence that they recognized that there are many variables that enter into the pricing decision made by a creditor § I believe the proposed two alternative methods of determining who should receive the notice, and the proposed exceptions to the notice, are excellent methods of dealing with this section of the FACT Act § The one area that I would like to see clarification on concerns the Exception allowed in 222.74 (e) – Non-Residential properly loans. In the section by section analysis it states the following “This exception can be used, for example, by auto lenders, credit card issuers, and student loan companies.” (pg 39) I would like this example to be expanded to include wording such as “. . . and financial institutions”, so that it is perfectly clear that this exception is available to all financial institutions. I would just like to reiterate that I believe that The Board did an excellent job of addressing how to effectively implement this difficult section of the FACT Act to be both beneficial to

consumers and avoid excessive burden on lenders. Sincerely, Kevin Mitchell Sr. Vice
President Peoples Bank Lubbock, Texas 1 - Proposed Rules, Background information;
II Developing the Proposed Rules (pg 5)