

Subject: Regulation Z

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Proposal: Regulation Z - Truth in Lending

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Comments:

March 28, 2008 Jennifer J. Johnson Secretary - Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue, N.W. Washington, DC 20551 RE: Docket Number R-1305 To Whom It May Concern: Community Housing Partners Corporation, a chartered member of the NeighborWorks® America, is supportive of the efforts being taken by the Federal Reserve System through this Proposed Rule (Docket Number R-1305), to increase the level of disclosure and transparency in the mortgage industry and protect consumers from unfair, abusive, or deceptive lending and servicing practices. In addition, we offer the following comments on various sections of the Proposed Rule: Proposed prohibition to engaging in a pattern or practice of extending credit to a consumer without regard to the consumer's repayment ability While supportive of the intention of this proposal, we are concerned that the language, "engaging in a pattern or practice", establishes a legal standard that would be very difficult to prove, even when there have been flagrant violations. Additionally, we believe the proposed rule should include subprime loans, other nontraditional loans, such as "Payment Option Adjustable Rate Mortgages" and other Alt-A products. Verification of Income and Assets Relied on We are in favor of requiring income and assets relied on verification for subprime and other nontraditional loans. Prepayment Penalties In addition to the proposed

limitation on prepayment penalties, we support the ban on all prepayment penalties. Requirement to Escrow for Taxes and Insurance We support this requirement for subprime and other nontraditional loans, such as “Payment Option Adjustable Rate Mortgages” and other Alt-A products. Creditor Payments to Mortgage Brokers (Yield Spread Premiums) We believe the Federal Reserve should prohibit the use of yield-spread premiums. Yield spread premiums create a disincentive for mortgage brokers to provide the most affordable mortgage product for the borrower. Elimination of yield spread premiums would help ensure the consumer receives a fair mortgage. If the Federal Reserve decided to rely on disclosure alone, we believe that bank employees and other loan originators should also be subject to such disclosure. Thank you for the opportunity to submit these comments on the proposed rule. Sincerely, Janaka Casper, President Community Housing Partners
