

From: Providential Bancorp, Ltd., Rick Opper  
Subject: Reg Z - Truth in Lending

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Comments:

Federal Reserve Board:

The Boards' efforts to protect the Consumer should be lauded and I, for one, fully support this goal. However, the proposed rule will severely limit the Borrowers options and substantially increase their costs to obtain financing. The new GFE provides a solid platform for full disclosure and will help the Borrower make informed choices among various options. If we alter the method of Broker compensation (via Yield Spread Premium) without a similar adjustment to Service Release Premiums [SRP] (as well as compensation limitations on Portfolio Lenders who retain servicing), we will have (unintentionally) caused great harm to the Borrower under the guise of "Consumer Protection". If we want to control an Originators compensation by eliminating interest rate differentials, then we must also eliminate the variables among all lenders (Banks, Bankers, Correspondents, etc.) Otherwise we eliminate the healthy competition that keeps rates and costs low.

Respectfully submitted,

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