From: Jon J Le Beau

Subject: Reg. Z

Comments:

Date: Apr 21, 2011

Proposal: Regulation Z; Truth in Lending
Document ID: R-1417
Document Version: 1
Release Date: 04/19/2011
Name: Jon J Le Beau
Affiliation: none
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:
1. It would make sense if the Front and Back end ratio's would be increased to 50/55 on a loan that was Cash Out to pay off debt and not to exceed 75% Loan to Value provided the borrower has verifiable assets of at least 12 month Principal,Interest,Taxes and Insurance payments. 2. If I am reading this correctly who and what would determine the "maximum interest rate "? I think that if you would add 3% to the start rate had verifiable income and assets and did not exceed 80% loan to value that a short term 5 Year Adjustable Rate Mortgage. The consumer also needs to demonstrate that they understand the loan has a "Fixed Period" and what the potential consequences and the property is in a "stable value" area as specified on the appraisal. 3. I believe that Balloon Mortgages and Adjustable Rate Mortgages should be under written the same way making sure the borrower qualifies based on the start rate plus 3% has verifiable income and assets (12 month P,I,T,I payments) Debt to Income Ratios not to exceed 45/50, the Loan to Value should not exceed 80% and the property is in a "stable value" area as specified on the appraisal. The home owner should also understand the consequences of a Balloon Payment by receiving and acknowledging the receipt of the disclosures pertaining to a "Balloon Payment" loan. Finally should have happened 5 years ago. Jon J. Le Beau A proud former member of the 101st Airborne Division "Screaming Eagles"