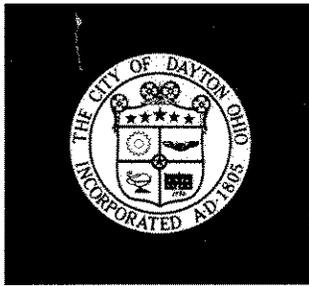


COMMISSIONERS

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DEAN LOVELACE
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CLERK OF COMMISSION
LEONARD E. ROBERTS



CITY of DAYTON, OHIO
OFFICE OF THE CITY COMMISSION
101 WEST THIRD STREET • P.O. BOX 22 • DAYTON, OHIO 45401
CITY HALL • (937) 333-3636

March 21, 2007

Regulation Comments
Chief Counsels Office
Office of Thrift Supervision
1700 G Street NW
Washington, DC 20552

Attention: Docket No. 2007-09, proposed sub-prime guidance

I agree with the National Community Reinvestment Coalition that the proposed extension of guidance to sub-prime lenders will lessen mortgage defaults and foreclosures, lessening risks to consumers. While I feel that it would be advisable to also extend guidance to prime market lenders, I support your intention to further regulate these risky loans. I urge your agency to implement these proposed changes as soon as possible.

Many borrowers who took out 2/28 and 3/27 sub-prime loans are subject to unpredictable future costs. "Predatory" loans, such as these, offer a two-year fixed rate which can jump to 50% or more in monthly payments, resulting in payment shock forcing borrowers in my locality to refinance or risk certain default. Often, these same borrowers could have qualified for thirty year fixed rate loans at affordable interest rates. In order to truly expand market participation and financial access to low and moderate income families; secure and responsible means of extending credit must be encouraged.

The result of this up-swing in dangerous lending is that 223,000 households with sub-prime loans lost their homes to foreclosure and 725,000 had missed mortgage payments in the third quarter of 2006, according to the Mortgage Bankers Association. The percentage of sub-prime mortgages delinquent by 90 days or more, in foreclosure, or resulting in seized properties hit 10% in November of 2006. Progress made in the real estate lending market during the late 1990's stands to be lost. The extension of guidelines to sub-prime lenders is an important measure, which is quite necessary at this time.

Thank you for your consideration of this important matter. If you have any questions, please contact me at the City of Dayton (937) 333-3651.

Respectfully,

Dean Lovelace
Dayton City Commissioner

DL:sa

cc: National Community Reinvestment Coalition