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Your Fair Lending Advocate in Delaware!

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DELAWARE COMMUNITY REINVESTMENT ACTION COUNCIL, INC.

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*Our mission is "to ensure equal access to credit and capital for the under-served populations and communities throughout Delaware through Education, Outreach, Advocacy, and Legislation."*

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May 7, 2007

**Docket No. 2007-09**

Regulation Comments

Chief Counsel's Office

Office of Thrift Supervision

1700 G Street NW

Washington, DC 20552

VIA Email: [Regs.comments@ots.treas.gov](mailto:Regs.comments@ots.treas.gov)

**Docket No. 2007-3005**

Office of the Comptroller of the Currency

250 E Street SW

Mail Stop 1-5

Washington, DC 20219

VIA Email: [regs.comments@occ.treas.gov](mailto:regs.comments@occ.treas.gov)

**Statement on subprime mortgage lending**

Robert E. Feldman

Executive Secretary

Attention: Comments

Federal Deposit Insurance Corporation

550 17th Street NW

Washington, DC 20429

VIA Email: [comments@fdic.gov](mailto:comments@fdic.gov)

**Docket No. OP-1278**

Jennifer J. Johnson

Secretary, Board of Governors

Federal Reserve System

20th Street & Constitution Avenue NW

Washington, DC 20551

VIA Email: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)

Dear all:

On behalf of the Delaware Community Reinvestment Action Council, Inc. (DCRAC) we support National Community Reinvestment Coalition's (NCRC) position that the proposed extension of guidance to subprime lenders will lessen mortgage defaults and foreclosures thereby lessening risks to consumers.

A Private 501 (c) (3) non-profit founded in 1987; member

We do believe that it is advisable to extend guidance to prime market lenders as well.

We urge all four agencies to implement these proposed changes as soon as possible. We are in a crisis in Delaware and many impending foreclosures are the result of Adjustable Rate Mortgages (ARMs), Option Arms, and other “exotic mortgages.”

Almost on a weekly basis we are exploring creative means that don't exist in Delaware to save a borrower who no longer has the option to sell her home, pay off the mortgage, and turn to tenancy. A greater number of our clients are senior citizens and we cannot even turn to Reverse Mortgages to help them. Equally impacted are our Spanish speaking and African American homeowners in Delaware.

We support your guidance that urges:

1. Lenders to assess borrower's ability to afford the subprime adjustable rate (ARM) loan at the maximum interest rate.
2. Discouraging onerous prepayment penalties.
3. Exercise of appropriate caution when using reduced documentation of borrower income.

In order to truly expand market participation and financial access to low- moderate income families; you must encourage secure and responsible means of extending credit.

We know that you are aware of the damage to our housing market as a result of both lenders and borrowers taking risks that were unwarranted. In fact, you predicted it.

Thank you for your consideration of this important matter. If you have any questions, please contact us at 302-654-5024

Sincerely,

Rashmi Rangan

cc. National Community Reinvestment Coalition