Subject:	Regulation Z

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Proposal:	Regulation Z - Truth in Lending
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Comments:

I am concerned about the yield spreads on the "higher priced mortgage loans" It is my understanding that those spreads would be over the anticipated life of the loan. If a bank did a 3 year balloon which is not untypical of a loan originated to stay on a banks books. That would make this 300 BP over 3 year treasuries that are about 1.9% which would be reflected in a 4.9% rate which is not profitable for a community Bank. In our institution when ever we can we originate conforming loans that we sell on the open market. Occationally we originate a loan for a bank customer that they do not want to be sold and would probably be only outstanding for a short period of time. Having this regulation would discourage and limit our ability to service these customers and would generally disadvantage consumers.