

*D. Unaffordable loans.* Consumer advocates state that some lenders extend loans without adequately considering the borrower's ability to repay the loan. For example, lenders may qualify borrowers based on an ARM's introductory rate and not at the fully-indexed rate that will apply once the introductory rate expires. Lenders state that it is appropriate to make such loans in certain circumstances, for example, where the borrower is likely to be able to refinance the loan at a lower rate before the reset date. Other circumstances include those in which borrowers expect to sell their home within a few years, or expect a significant decrease in their monthly obligations or a significant increase in income, such as a borrower who is completing professional training. Because loans are frequently sold to purchasers who generally cannot be held liable for the loan originator's actions, and because the risk of default is spread out among investors in loan pools, some consumer advocates believe that there is insufficient accountability for making loans that consumers cannot repay.

Recently the Board and the other banking and thrift regulators issued guidance on underwriting nontraditional mortgage products. The guidance provides that:

An institution's analysis of a borrower's repayment capacity should include an evaluation of their ability to repay the debt by final maturity at the fully indexed rate, assuming a fully amortizing repayment schedule. In addition, for products that permit negative amortization, the repayment analysis should be based upon the initial loan amount plus any balance increase that may accrue from the negative amortization provision.

71 FR 58609, 58614 (Oct. 4, 2006) (footnotes omitted).

Some have urged that lenders should be required to underwrite *all* mortgage loans based on a fully-indexed rate and a fully amortizing payment. Some have also advocated a rebuttable presumption that a borrower cannot afford to repay a loan if the borrower's debt-to-income ratio exceeds 50 percent and that such loans should be prohibited by regulation.

The Board requests comment on the following questions:

- Should lenders be required to underwrite all loans based on the fully-indexed rate and fully amortizing payments?
- Should there be a rebuttable presumption that a loan is unaffordable if the borrower's debt-to-income ratio exceeds 50 percent (at loan origination)?

- Are there specific consumer disclosures that would help address concerns about unaffordable loans?
- How would such provisions affect consumers and the type and terms of credit offered?

By order of the Board of Governors of the Federal Reserve System, May 24, 2007.

**Jennifer J. Johnson,**

*Secretary of the Board.*

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## FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

### Employee Thrift Advisory Council

#### Sunshine Act Meeting

**TIME AND DATE:** 1:30 p.m. (Eastern Time), June 12, 2007.

**PLACE:** 4th Floor, Conference Room, 1250 H Street, NW., Washington, DC.

**STATUS:** Open.

#### MATTERS TO BE CONSIDERED:

1. Approval of the minutes of the February 7, 2007 meeting.
2. Nomination of Council Chairman and election of Vice Chairman.
3. Report of the Executive Director on Thrift Savings Plan Status.
4. Discussion of three potential FRTIB legislative proposals (automatic enrollment, L Fund default investments, Roth feature).
5. Other proposals.
6. New business.

**CONTACT PERSON FOR MORE INFORMATION:** Thomas K. Emswiler, Committee Management Officer, (202) 942-1660.

Dated: May 25, 2007.

**Thomas K. Emswiler,**

*General Counsel, Federal Retirement Thrift Investment Board.*

[FR Doc. 07-2703 Filed 5-29-07; 9:44 am]

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## GOVERNMENT ACCOUNTABILITY OFFICE

### Appointments to the Medicare Payment Advisory Commission

**AGENCY:** Government Accountability Office (GAO).

**ACTION:** Notice of appointments.

**SUMMARY:** The Balanced Budget Act of 1997 established the Medicare Payment Advisory Commission (MedPAC) and gave the Comptroller General responsibility for appointing its members. This notice announces three new appointments and four

reappointments to fill the vacancies occurring this year.

**DATES:** Appointments are effective May 1, 2007 through April 30, 2010, except as noted.

**ADDRESSES:** GAO: 441 G Street, NW., Washington, DC 20548. MedPAC: 601 New Jersey Avenue, NW., Suite 9000, Washington, DC 20001.

**FOR FURTHER INFORMATION CONTACT:** GAO Office of Public Affairs, (202) 512-4800. MedPAC: Mark E. Miller, PhD, (202) 220-3700.

**SUPPLEMENTARY INFORMATION:** To fill this year's vacancies I am announcing the following:

Newly appointed members are Thomas M. Dean, M.D., Chief of Staff, Avera Weskota Memorial Medical Center; Jack C. Ebeler, Independent consultant; and Bruce Stuart, PhD, professor and executive director, Peter Lamy Center on Drug Therapy and Aging, University of Maryland Baltimore. Professor Stuart is appointed to complete the remaining two years of Douglas Holtz-Eakin's three-year term that began in 2006. Holtz-Eakin resigned from his position on MedPAC effective May 2, 2007.

Reappointed members are John M. Bertko, F.S.A., M.A.A.A., vice president and chief actuary, Humana Inc.; Francis J. Crosson, M.D., executive director, the Permanente Federation, LLC; Arnold Milstein, M.D., M.P.H., medical director, Pacific Business Group on Health; and William J. Scanlon, PhD, health policy consultant.

(Sec. 4022, Pub. L. 105-33, 111 Stat. 251, 350)

**David M. Walker,**

*Comptroller General of the United States.*

[FR Doc. 07-2680 Filed 5-30-07; 8:45 am]

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## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Agency for Healthcare Research and Quality

#### Notice of Meeting

In accordance with section 10(d) of the Federal Advisory Committee Act (5 U.S.C., Appendix 2), announcement is made of a Health Care Policy and Research Special Emphasis Panel (SEP) meeting.

A Special Emphasis Panel is a group of experts in fields related to health care research who are invited by the Agency for Healthcare Research and Quality (AHRQ), and agreed to be available, to conduct on an as needed basis,