



December 19, 2011

Mr. Edward DeMarco
Acting Director
Federal Housing Finance Agency
1700 G Street, NW, 4th Floor
Washington, DC 20552
edward.demarco@fhfa.gov

Submission to: [Servicing Comp Public Comments@FHFA.gov](mailto:Servicing_Comp_Public_Comments@FHFA.gov)

Re: *Alternative Mortgage Servicing Compensation Discussion Paper*

Dear Mr. DeMarco:

Centris Federal Credit Union appreciates the opportunity to comment on FHFA's *Alternative Mortgage Servicing Compensation Discussion Paper*.

In general, Centris agrees with The Mortgage Bankers Association's position that the existing servicing fee structure has served the market well and is still viable. If FHFA believes that change is needed, it should look for a fee structure that is not a radical departure from today's structure. We believe the proposed changes are too radical.

We can attest to the fact that servicers come in a broad range of size and cost to service structures. A large and highly automated servicer can generally service loans at a cost significantly lower than a smaller servicer such as Centris. However, we have seen many large servicers fail to invest appropriately in technology, systems, and infrastructure because it would have increased their servicing costs and, under certain accounting rules, led to the write down of their MSR asset. We believe that the larger servicers' decision not to develop appropriate infrastructure and processes impaired their ability to efficiently handle the increased volume of delinquent loans and foreclosures. The failure of these large servicers should not be rewarded with the implementation of a reduced fee structure that could perpetuate their misconduct and would definitely diminish Centris' ability to service mortgage loans.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Steve Swanstrom". The signature is written in a cursive, flowing style.

Steve Swanstrom
VP, Director of Mortgage Services