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To: regs.comments@occ.treasury.gov;
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comments@sec.gov; !FHFA REG-COMMENTS
Subject: credit risk retention - docket no.1 fr-5504-p-01/rin 3064 -ad74

Good Afternoon,

I am writing you in regards to the proposed DODD-FRANK Act and my strong opposition to it as well as other recently imposed legislation which has been proven to be extremely detrimental to the Mortgage Industry, Housing Market and the wellbeing of the United States of America. The DODD-FRANK ACT- There are three four key components to this act that will DIRECTLY affect the ability of Americans to purchase a home.

Limits imposed on down payments. Currently you can purchase an owner occupied home for as little as 3.5% down on the secondary market. The provisions of this act require a 20% down payment. The down payment is the biggest hurdle for a prospective homeowner to overcome. If homeowners are required to save as much money as it would take to qualify for a loan once this becomes law nearly 80% of the people who bought homes in the past decade would still be renting. It would take over 10 years for the average American to save that much money, even under ideal circumstances. Factor in the decline in earnings due to the Unemployment Statistics over the past 5 years and the problem is exponentially increased.

Borrower Paid Closing Costs. Almost all home sales now have the seller or Mortgage Broker contributing to the buyers closing cost. Usually as an incentive to buy a home and make the amount of money a buyer has to come up with less. Most closing costs and pre-paid items such as taxes and insurance can cost a buyer at least \$5,000.00. But imposing this requirement compounds the amount of down payment a buyer must save. You can add a few more years on what I mentioned above.

Limits on the MAXIMUM Debt to Income Ratio. Underwriting Standards now require stringent review and documentation. If you make this an inflexible LAW versus a guideline which allows for compensating factors, many more qualified borrowers will be prevented from buying a home. We have underwriters whose job it is to verify and qualify each individual loan based on its own merits. Each borrower has their own circumstances. They need to be able to do their jobs. Many times a house payment is less then what the rental market is. If this law goes into effect demand for more rentals will go up along with the rent. The problem will continue to compound itself. Again, continuing the stagnation of economic growth.

Skin in the Game. I venture to say you will lose around 80% of the investors if this is imposed. This is so far out it is hard to comprehend factor in the accounting, which would be a huge cost and a nightmare to track. Again, the cost is passed on to the consumer, WHO YOU PUPPORT TO BE PROTECTING.

Recently passed legislation that has been a significant detriment to the mortgage & housing industry:

New Good Faith Estimate. Legislation was put into effect that changed how a borrower is to know the exact cost of securing a mortgage. The New Good Faith Estimate is so confusing I can't even understand it and I've been in the mortgage business for over 15 years. This new form does not tell the borrower how much their payments will be, or how much money they need to bring to the table on a purchase or how much their getting out on a refinance. These are the TWO main factors everyone wants to know. And they don't have to sign it. ??????

Loan Officer Compensation. No other industry, market or profession is regulated on how much someone can make for performing a service. A loan officer or mortgage broker has to be licensed, bonded and in most cases insured. Borrowers don't usually have a problem paying someone for a service well done. To be successful in this line of work takes a lot of education, time, money and determination. If a borrower agrees to pay a LO a fee or agrees to a rate it should be allowed. This is the beginning of socialism. Can you imagine if Lawyers were capped

on what they could charge a client or limited on the percentage they could collect on a settlement or judgment and those fees are set but they government and not negotiated with the client before taking a case or hiring an attorney. Realtors are not capped on their compensation, closing attorneys can charge whatever the market will tolerate and the new appraisal system has totally skewed appraiser income. All the while Wall Street continues to report record breaking earnings.

Home Value Code of Conduct or AIR as it's known. This was made a law to prevent anyone a party to a real estate transaction from having the ability to influence a property appraiser on the value of a property. It required a third party order. This created what we refer to as AMC'S. A Appraisal Management Company. Their function is to order the appraisal from an appraiser that would have no access to the lender or anyone involved. The problem is the AMC's want to make all the money. Where appraisal used to cost \$300.00 to 450.00 and the appraiser was paid the entire amount, The AMC's now charge the borrower \$450.00 to 600.00 and they pay the appraiser no more than half the cost. The quality of appraisals went way down. The good appraiser left that line of work due to the diminished income and the bad appraiser's delivered POOR appraisals. This added to the closing costs not only buy the AMC's charging more but a lot of times borrowers had to pay for two or three appraisals in order to get a good one. If you get paid \$200.00 to do the appraisal you deliver a \$200.00 appraisal. This alone has contributed to the decrease of property values across the country. Appraisers are Educated, Bonded, Licensed professionals and very few of them would put their careers on the line to give a unjustified value to a property. Most would not sway more than one or two percent on a value. Underwriters also closely review appraisals to make sure the value is reasonable and justified. This is overkill and has done more to inhibit mortgage approvals than anything else.

Recent Changes made to the Mortgage Industry. Underwriting guidelines and loan products have gone through a major change the past four years and some aspects needed change without the government stepping in. Free Enterprise is not a bad thing. The consumer will correct almost any industry. Guidelines that were written by the Wall Street investor led to most of the melt down. The government is trying to blame the loan officer and broker, but they just sold what the investors offered. Blaming the loan officer is like blaming the soldier for the war. Wall Street should have been held accountable for all of this. If a borrower came to a broker/loan officer and they knew the loan was not in their best interest, but they qualified for a loan program the broker/loan officer could get sued for now making it available. Self Employed Borrowers who take advantage of the tax laws are virtually out when it comes to securing a mortgage. They can have a very high credit score and plenty of cash down payments and reserves. A history of good money management, But if they take advantage of the tax laws they don't qualify. I believe over twenty percent of all working Americans fall into this category. That's a huge sector that is now out of the market.

When a home is sold over 10 companies and people benefit from the transaction. You should know the entire economy starts with housing. Congress is trying to educate the ignorant home buyer, It just can't happen. Stupid people will do stupid things and other people will take advantage of them. But you can't bring down an entire economy based on the actions and stupidity of a few. After all every industry has people who take advantage of other people. Don't place the blame where it doesn't belong. By continuing to impose these laws congress is strangling the very backbone of what made this country great!!!

Over 300,000 people have lost their jobs or business because of government regulations like this. 300,000 In 4 years!!!

Benefits of homeownership are huge! It's the American Dream.

Also Why does it take SIX, YES Six Government agencies to oversee one industry??

Please review the bill and reject it based on the BEST INTEREST of ALL AMERICANS.

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