

# Credit Risk Retention Qualified Residential Mortgage

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Thank you so much for giving us the opportunity to comment on the Qualified Residential Mortgage (QRM) proposal. Tull Mortgage, LLC has a huge interest in the outcome of the proposition. The passage of Credit Risk Retention/QRM will have a tremendously negative impact on the mortgage industry's and Mortgage Loan Officer's ability to assist deserving borrowers.

The limitations on down payment, income/debt ratios and loan type guidelines will eliminate many deserving applicants from attaining homeownership. This rule will undoubtedly produce a more conservative lending approach, and therefore, restrict mortgage availability.

Many mortgage lenders, particularly the smaller lenders, will be taken out of the mortgage lending business completely because of capital restraints. Even the larger national firms will undoubtedly feel a major burden and could decide to abandon the mortgage lending arena leaving home ownership to suffer. The capability of putting up 5% for loans that are not considered "qualified," will cause a major strain on lender's ability to survive because the necessary capital to meet these guidelines is prohibitive. The effect of this rule will be seen in all mortgage loan origination channels. Competition from all channels will only benefit the consumer.

It is understood that government regulations at best can be cumbersome and produce additional expense to borrowers. It is highly foreseeable that, due to additional overhead to the lenders, costs to obtain mortgages will rise substantially, further hindering home ownership capability.

Home ownership will obviously be severely impacted because of the removal of funds out of the marketplace, too constrictive underwriting rules, lack of competition and a much higher cost to the consumer. A reduction in home ownership because of guidelines that are too strict and because of a lack of capital would be a catalyst to even greater devastation to an already fragile economy. Statistics from Corelogic indicated a large percentage of homeowner's today would be incapable of borrowing under these conditions.

In general, it is my strong belief that our industry, not government, should be in the business of underwriting loans. Lending practices have already been constricted and modified to manage our credit risk. This rule is an overreaction to a bad situation. We need to give the safe harbor a chance to work.

NCAMP, as a supportive association to the mortgage industry, its professionals and its clients, strongly recommend that the Credit Risk Retention/QRM be eliminated.