

From: dakre@wholeloans.com
To: [#FHFA REG-COMMENTS](#)
Cc: dakre@wholeloans.com
Subject: [EXT] Freddie Mac Closed End Seconds
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Attachments: [image001.png](#)

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Please see below comments pertaining to the proposal allowing Freddie Mac to purchase Closed End Seconds (CES).

Currently there are plenty of private companies and banks providing CES products to consumers. There is no shortage of liquidity for the products given they securitize well, and their unlevered returns are sufficient for depositories and credit unions to hold and match fund them. There is no need for a GSE to step in.

Widely held concerns in the mortgage industry pertain to the following:

- More government lending when the private market is more than adequate,
- Extremely poor loan performance the last time the GSEs reached for market share. That was just prior to the GFC, leading to a need for a taxpayer bailout,
- The likelihood that this initiative is part of a plan to spur the economy due to the election in November,
- The possibility of a heavy push by Freddie Mac which would increase household spending and therefore spur inflation,
- Finally, the possibility that these loans could be forgiven in the future during an election cycle, thus increasing the national debt, and shifting the repayment burden to those that live up to their responsibilities.

Thank you.

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