

**From:**

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**Proposal:** Proposed Illustrations of Consumer Information for  
Subprime Mortgage Lending

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**Comments:**

Please make 2% mortgage money available for HOUSING ONLY. You are dumping liquidity into all markets, most of which don't need it, cause inflation and compete with housing for loans. The 2% money will make home ownership more affordable and stabilize the housing market which does need help NOW. The banks are taking your cheap money and lending into more stable business areas, not into housing. The 2% money could also be variable after 5 years and tied to the cost of housing index. If home prices go up the interest rate go up. If housing stays poor then the interest stays the same. After level payments for 5 years a max of 1/2 of 1% per year increase capped out at 6%. 2% money could also be made available for refinancing provided evidence of economic hardship is available. Who will determine that? Easy. You write the guidelines and the banks follow them as usual. The loans don't get approved unless the people can show that a reduced rate loan will bail them out. If there is no way out then no loan. If they're making over 150K per year with no dramatic circumstances then no loan. PLEASE DO IT NOW. You should limit the money for the first 90 to 180 days to owner occupants. If that's not quite doing it, then open it up to investors. The market will stabilize and the bleeding will stop. (Why is the United States NOT at the top of your drop down list below?).