

From: Jon Stewart
Subject: CRA Regulations Hearings

Comments:

August 25, 2010

Federal Reserve Board

Dear Federal Reserve Board:

If CRA had covered more lenders, the economic collapse wouldn't have been so drastic or could have been avoided altogether. Please expand and modernize CRA to cover more lenders to protect communities and borrowers like me.

In 2008, my equity in my home, after about 5 years, was at a point where I was just about eligible to refinance at a lower rate AND eliminate my Private Mortgage Insurance (PMI). Then, when the housing market started to slide, so did my equity, lessening my options. I STILL hoped to either refinance at a lower rate (I'm paying 6.25% now) OR eliminate my PMI (about \$160 per month). I was seeing my 401k crash and figured that I should bite the bullet and pay the penalties and use that money to pay down my mortgage to increase my equity. I don't believe I was irresponsible in assuming the amount of (fixed rate) mortgage I did, having been in the same well-paying job for 14 years. It was WELL within my means. Then, last year, I was laid off. My income is about half of what it had been, my COBRA eligibility is about to expire, and no bank will even consider refinancing my mortgage. Unemployment won't last too much longer, and the only jobs I have been able to find are Temp positions that offer wages less than 1/3 of what I was making, with NO benefits. I don't think I am in a unique situation. What has been done so far to help people like me... as opposed to what has been done to prop up businesses? They don't seem to be hiring? Note: I was employed by a health insurance company in a specialized role. There are few calls for people with my particular experience, and as long as the job market is so bad, and with uncertainty about the private health care industry, the prospects of my finding a position similar to the one I had for almost 15 years is slim... especially at age 55... too young to retire and too old to start from minimum wage again. Why can't there be a program that would at least give me a chance to lower my mortgage payments? I have NEVER missed a payment or made a late payment. I've been making withdrawals from my 401k to pay down my debts, resulting in tax penalties. Even on my reduced income, I am (so far) keeping up. I'd just like a break. Even the elimination of my PMI would be a great help! I'm not desperate yet, but I never imagined I'd be in THIS position, and it's hard to be optimistic about what COULD happen next. I played by the rules only to see that those rules are stacked in favor of the forces that may eventually put me out in the street.

Sincerely,

Jon Stewart