

From: W.R. Starkey Mortgage, LLP , Jim Clapp
Proposal: 1417 (RIN 7100-AD75) Reg Z - Mortgage Repayment Standards
Subject: Reg. Z

Comments:

As President of W.R. Starkey Mortgage, LLP I urge you to establish a firm safe harbor for mortgage bankers to comply with the ability to repay requirement as mandated by the Dodd Frank act. Without this safe harbor the so called "credit crunch" will be even more severe as lenders will adopt even more conservative underwriting policies in an attempt to comply with broad and ambiguous regulatory requirements. Day after day we are confronted with headlines lamenting the sluggish economy, depressed housing market and staggering levels of unemployment. However, without a vibrant functioning housing market this economic malaise will continue for years. Housing and related housing businesses are a huge economic engine (approximately 15-20% of GDP) and this industry is being strangled by over zealous ill-conceived regulation. The mortgage industry, like most free enterprise is self policing as evidenced by the lack of risky products being originated today. Those parties that took extreme risk by originating or investing in the riskiest mortgage product that were a significant factor in the housing downturn suffered dramatic losses and in most cases were put out of business. These losses and shuttering of businesses were not because of regulatory reform, but rather the free market punishing those that were greedy and took excessive risk.

W.R. Starkey is a small company but we currently employ 375 people, down from a high of approximately 525 employees in 2009. However, we are very reticent to add employees in light of the regulatory and compliance landscape we see as envisioned by the numerous laws to be promulgated.

The adoption of a firm safe harbor is one way the regulatory community can provide some relief and ultimately stimulate sound mortgage lending practices.

Thank you for your consideration.