Julie K. Howell
15756 Buffalo Creek Drive
Frisco, TX 75035
972-678-0145

December 17, 2009

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20511

*Re: Proposed Changes to Closed-End Mortgage Rules (Docket No. R-1366)*

Dear Sir or Madam:

The Community Reinvestment Act (or CRA, Pub.L. 95-128, title VIII, 91 Stat. 1147, 12 U.S.C. § 2901 *et seq.*) was passed into law by the 95th United States Congress in 1977 as a result of national grassroots pressure for affordable housing. In 1995, the regulations for the CRA were strengthened to meet community credit needs. These revisions with an effective starting date of January 31, 1995 were credited with substantially increasing the number of loans to small businesses and to low- and moderate-income borrowers for home loans.

Banks and loan officers provided these loans to consumers based on the products offered in response to the government encouragement. BUT today the government wants to limit the compensation of the loan officers who provided the products. A much better alternative would be to limit the products that caused the meltdown in the housing industry rather than punishing the people who tried to comply with the government goals.

If you limit the income of an industry, the highly educated, self starters will eventually migrate to other industries. The remaining people will be the ones who are content with a 9 to 5 job with little ambition or enthusiasm. The backbone of the United States is the small business owners and the entrepreneurs who constantly invent new ideas.

Someone who is not in the mortgage lending business may think that each loan is simple and easy to process and "one size fits all", but the opposite is true. Very few borrowers are the same as another borrower. One may have complicated tax returns with many schedules and K'1's that require hours of analyzing to determine if they qualify for a loan. Another borrower may have erroneous items on their credit report and need help in clearing the mistakes. Because of the many Fannie Mae and Freddie Mac guideline changes today, most borrowers require extra time to prepare their loan for underwriting.

This required level of attention is not available at the large institutions. As more loan officers leave the mortgage industry, the majority of borrowers will have no choice but to use a call center of the large banks. If the Federal Reserve Board limits competition, the consumer will be hurt. The result will be fewer borrowers can buy a home, the time from loan application to closing will be months rather than days, and the housing problem will continue to be a drag on the economy. Less regulation will create more competition, help the consumer and improve the housing situation sooner rather than later.

The new SAFE Act requires background checks and continuing education for loan officers. Please allow the Act to have time to work before adding additional and burdensome regulation on loan officers.

I graduated from Texas A&M in 1999 and have been in the mortgage business for over 8 years. I love this business because I am able to educate my clients on the home buying process and real estate market. My business comes from referrals and I build these relationships by providing superior service, speed and knowledge to my customers.

Thank you for allowing me to comment on your ruling.

Sincerely,

Julie K. Howell

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NMLS #176775