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I will appreciate your help if you could submit the following suggested ten steps plan to the appropriate authority for the consideration. As like every US citizen, I'm also worried about our weak economy and increased umemployment resulted from the substantial drop in the real estate market. An increase in defaults and foreclosures are causing further decrease in real estate prices, we must break this vicious cycle and the foreclosure trap. I've the following 10 step plan to reduce real estate defaults and foreclosure and bring our economy on track again: 1. Create a new refinancing plan and allow people to refinance at low or no cost. 2. Allow people to refinance loan up to existing loan amount or appraised value of the home 3. If the existing loan amount is greater than the appraised value of the, the new refinance loan amount should equal to appraised value. The financial institution will be co-owner of the property for the difference and share the future gain in the property. a. Example: Appraised Value of the home is $500K, Existing Loan Value is $600K @6.5% 30-yr fix interest rate, the Refinancing Loan Value will be $500K @ 4.5% 30-yr fix interest rate. The lender will have $100K ownership interest, which equals 1/6th interest in the property. The lender will get 1/6th value of the property when it is sold. b. The refinancing plan will provide "direct" benefit to homeowner by: i. Reducing his loan obligation on the loan to market value ii. Reducing his interest rate on the existing loan iii. Reducing his mortgage payment on the existing home c. The refinancing plan will require some risk by lenders but they should be able to recover their share in the real estate when real estate prices goes up, which will happen eventually d. The one of the clause in the refinancing agreement should allow lenders to keep all gain ($50K) if the net sales price ($550K) is greater than the refinance amount ($500K) but the less than the initial loan amount ($600K) e. The refinancing agreement may allow lenders to get 1/6th of the net gain over the original loan amount of $600K 4. Refinancing should be at the lowest market interest rate

(e.g. 4.2% 30-yr fix) 5. The new refinancing plan should not require debt to income ratio (41%) or loan to value ratio (75%) because the refinancing will allow improvement in both ratio 6. Refinancing should be allowed for the investment property and holiday homes because that will also reduce foreclosure and encourage people to invest in the real estate market 7. Refinancing should allow cash out if the appraised value is higher than the loan amount and borrower's debt to gross income ratio is lower than 45%. The loan to value ratio should be under 100%. 8. Borrowers should be allowed to refinance at any time they wish to refinance and lower the loan value if the market value decreases 9. Borrowers should be allowed to refinance the loan with some closing cost when market value starts increasing 10. All new loans should verify the repayment capacity of the borrowers during the period of the loan and not just 1st few years of payments.