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Comments sent electronically to: www.regulations.gov

Subject: Credit Risk Retention

**DEPARTMENT OF THE TREASURY
Office of the Comptroller of the Currency
12 CFR Part 43
Docket No. OCC-2011-0002
RIN 1557-AD40**

**FEDERAL RESERVE SYSTEM
12 CFR Part 244
Docket No. 2011-1411
RIN 7100-AD70**

**FEDERAL DEPOSIT INSURANCE CORPORATION
12 CFR Part 373
RIN 3064-AD74**

**U.S. SECURITIES AND EXCHANGE COMMISSION
17 CFR Part 246
Release No. 34-64603; File No. S7-14-11
RIN 3235-AK96**

**FEDERAL HOUSING FINANCE AGENCY
12 CFR Part 1234
RIN 2590-AA43**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
24 CFR Part 267
RIN 2501-AD53**

The proposed rule implementing Title IX, Sections 941 - 945 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA) covers much more than the criteria contained in Section IV of the proposal. In spite of that, **IMMAAG** and many other commenters have focused much of the feedback on the Qualified Residential Mortgage provisions.

Before commenting on Section IV we reiterate the comments we made with respect to the Federal Reserve Board's proposed rule regarding Ability to Repay and Qualified Mortgages. We

suggest that in spite of the DFA mandate for the agencies to issue regulations implementing the sweeping changes anticipated in credit risk retention, we believe it would be prudent for the agencies to enlist the Bureau, join forces and focus their collective efforts and resources on conducting empirical research using the hypothesis that the DFA “got it wrong” in the context of the credit risk retention, qualified residential mortgages and qualified mortgage requirements.

Instead of simply regulating statutory language that is at best too late and clearly overly prescriptive, we suggest that the regulators take advantage of this unique opportunity to drive meaningful, positive change and not just salute well intended but misguided legislation by just going on with a business as usual response. There is nothing in the regulatory process that prohibits the agencies from responding to the regulatory mandate by accumulating information that would support recommending to the new Congress that circumstances have changed and the reaction to the recent credit issues requires legislative correction driven by truly independent information and based on correlated cause and effect. Actions taken without considering the unintended consequences will further harm the economy, industry and consumers.

Having offered the foregoing background, **IMMAAG** joins the hundreds of other commenters who represent banks, credit unions, mortgage professionals, and others in the settlement services arena as well as individuals and the Congress to ask the agencies to seriously consider the negative impact the proposed combination of down payment, debt to income caps and credit history requirement will have on housing market recovery, consumer choice, consumer cost and product access before acting on the proposal.

Additionally, we ask the agencies to think about the significant changes made over the past three years, the changes that are proposed and/or that have recently been finalized in the absence of any meaningful empirical data. Consider the impact of all this change on the ability to actually benefit from the studies required by Dodd-Frank to determine root problem causes. If we do not stop the change, analyze the real causes, create a correlation between cause and effect before we implement corrective actions identifying real solutions will basically become a "mission impossible" because of all the variables introduced into "solving" the perceived mortgage delivery system problems.

In closing, **IMMAAG** reiterates its earlier and consistent request for the agencies to slow down, work with the Bureau, use the regulatory authority to respond to the DFA requirements by initiating and completing an independent study before taking any action, then re-propose a single rule that is created as a by-product of serious, independent research that provides an actionable cause and effect. Give the industry a chance to comment on that as opposed to offering proposals that are based on conditions that 1) no longer exist and 2) never had a basis in fact to show the cause and effect in the first place.

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