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July 19, 2011

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Honorable Shaun L.S. Donovan  
Secretary  
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451 7<sup>th</sup> Street, SW  
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Honorable Sheila C. Bair  
Chairman  
Federal Deposit Insurance Corp.  
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Mr. John Walsh  
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Office of the Comptroller  
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Honorable Ben S. Bernanke  
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Honorable Mary L. Schapiro  
Chairman  
Securities and Exchange Commission  
100 F Street, NE  
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Mr. Edward J. Demarco  
Acting Housing Finance Agency  
1700 G Street, NW  
Washington, DC 20552

Ladies and Gentlemen,

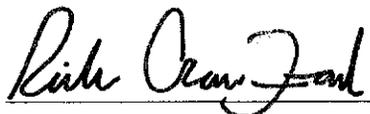
I write regarding your notice of proposed rulemaking on the regulations to implement Section 941 of the Dodd-Frank Act, which includes defining a Qualified Residential Mortgage (QRM) that will be exempt from the Act's risk retention requirement. As you promulgate these rules I urge you to consider lower down payment loans that have mortgage insurance (MI) as constituting a QRM.

The proposed regulation goes beyond Congressional intent by imposing excessively stringent down payment restrictions. The currently proposed minimum requirement of 20 percent under the QRM definition, which does not take into account loans covered by mortgage insurance, would reduce access to affordable mortgages and increase consumer costs. It would particularly harm first time homebuyers, as evidenced by a survey by the National Association of Realtors that found 86 percent of first-time homebuyers made down payments below 20 percent. As the economy continues to struggle, this rule could price out reliable homebuyers that would otherwise be purchasing homes and contributing to a rebound in the housing market.

Section 941 of the Dodd-Frank Act names "mortgage guarantee insurance" as one of the factors to be included in the QRM definition. Currently, loans with private insurance have a lower rate of default than uninsured loans. Mortgage insurers perform a comprehensive analysis to supplement a lender's review of homeowners, which helps mitigate and prevent loan deficiencies. Agency rulemaking should reflect Congressional intent, which recognizes the important role that mortgage insurers play helping reliable homebuyers secure financing and assuring that loans are financially stable for lenders.

The proposed rule adds excessively stringent requirements that do fairly not reflect the intent of Congress, and would have a disparate impact on the less wealthy and on first-time home buyers. I urge you to reconsider the proposed QRM criteria in a way that capable and creditworthy homebuyers have access to credit and affordable mortgages.

Sincerely,



Rick Crawford  
Member of Congress