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Proposal: 1411 (7100-AD70) - Credit Risk Retention
Subject: Credit Risk Retention - Reg RR

Comments:

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Please implement the 5% retention and 20% downpayment rules as is but do not water down to 10% for residential down payments. I previously worked in the commercial real estate industry and I have an undergraduate in Economics along with an MBA. I can say unequivocally that larger downpayments are needed to reduce the systemic risk embedded in the highly levered housing industry.

Ideally, the 20% downpayment rule would be phased in over a 10 year period with steadily increasing down payments to mitigate any sudden effect. However, if for some reason this isn't possible or will be subject to too much future lobbying, then a 20% downpayment rule should be implemented. And ideally, it should be increased to 30% at some future date. Thanks for your work and independence. Please don't let lobbyists and Congressional patsy's steer you from your good work on this issue.