From: Mortgage Bankers, Sonya Pitt

Subject: Credit Risk Retention - Reg RR

Comments:

Public Comments on Credit Risk Retention:

Title: Credit Risk Retention
FR Document Number: 2011-08364
Legacy Document ID:
RIN: 7100-AD70
Publish Date: 4/29/2011 12:00:00 AM

Submitter Info:
First Name: Sonya
Last Name: Pitt
Mailing Address:
City:
Country: United States
State or Province:
Postal Code:
Email Address:
Organization Name: Mortgage Bankers

The proposed regulation will hurt consumers by limiting access to credit for
well-qualified
borrowers.
? In particular, the proposed down payment, loan-to-value (LTV) and
debt-to-income (DTI)
requirements are unnecessary and not worth the societal cost of excluding far
too many
borrowers from the most affordable loans.
? By prescribing hard-wired down payment, LTV and DTI standards, the government
will
effectively take ownership of risk rather than require private lenders assume
the risk and
underwrite sustainable loans for consumers.
? The impact will be worse for minorities, first-time borrowers and homeowners
with limited
equity and threatens to disturb the balance between the rental and
homeownership markets.
? Excluding risky products and requiring sound underwriting, full documentation
and
verification are the right steps to return private investment to the housing
market and
ensure sustainable and affordable housing credit for as many families as
possible.
? The QRM provisions in Dodd-Frank share the same purpose of ensuring well
underwritten
mortgages as the Qualified Mortgage (QM) proposed under Dodd-Frank?s separate
ability
to repay provisions, and the QRM should be aligned with the QM.
? Regardless of the deadline set by Dodd-Frank, it is important that this rule
not be rushed.
While a rule along the lines proposed, as well as the alternative proposal,

will likely have
a limited near-term impact on today?s mortgage market, it creates significant
long-term
challenges to the return of private capital and a normal, healthy mortgage
market.
? The mortgage market is functioning today because of heavy government support
? a position
that is neither sustainable nor desirable long-term. With Fannie Mae and
Freddie Mac
securitizing, and government agencies including FHA, VA and the Department of
Agriculture
insuring or financing most of the nation?s mortgages, private investment
capital remains largely
on the sidelines. The rule, as propose