Governor Duke and my esteemed colleagues I want to begin by reminding us all of the purpose of the Home Mortgage Disclosure Act because it is this purpose that drives all of my comments and concerns.

Congress recognized that some depository institutions "contributed to the decline of certain geographic areas by their failure pursuant to their chartering responsibilities to provide adequate home financing to qualified applicants on ***reasonable terms and conditions*** [emphasis added]. "

The purpose of HMDA" is to provide the citizens and public officials of the United States with sufficient information to enable them to determine whether depository institutions are filling their obligations to serve the housing needs of the communities and neighborhoods in which they are located and to assist public officials in their determination of the distribution of public sector investments in a manner designed to improve the private investment environment. "

And finally, the FIRREA amendments of 1989 require the collection and disclosure of data about applicant and borrower characteristics to assist in identifying possible discriminatory lending patterns and enforcing antidiscrimination statutes.

I believe that current HMDA regulations and collections fail to adequately address the three mandated purposes for the law and therefore we must consider any proposed changes to HMDA on how well it addresses these clearly articulated goals.

We have been asked to consider several questions I will attempt to address just a few of them. I believe strongly that we should collect additional data including credit scores, LTV, CLTV, DTI, rate spreads on all loans, product type of loans, the more detailed documentation loan type, gross margin of ARMS, minimum and maximum mortgage rates for ARMS, initial periodic rate caps on ARMS, the Index used for ARMS.

The benefits of these additional collections are that they will allow regulators and communities to determine if financial institutions are providing qualified applicants with mortgage loans on '*reasonable terms and conditions*'.

One of the great tragedies to come out of this crisis is the fact that 35-60% of the borrowers who received subprime products QUALIFIED FOR prime products. These same borrowers are bearing the brunt of the current foreclosure crisis that is CURRENTLY contributing to the decline of many of our communities. This data would allow governmental bodies to allocate taxpayer dollars more efficiently and effectively by allowing them to tract trends and allocate public dollars in a way that ensures that all segments of their community have access to capital and that they are investing public money to stimulate private capital not subsidize it.

These collections will also assist in identifying possible discriminatory lending patterns by pinpointing statistically significant differences in the terms and conditions of loan offerings.

These additions that I propose offer no significant costs to lenders in that all the data points listed above are currently collected by the lenders and are publically available as part of the prospectus for MBS and ABS offerings. I am merely suggesting that the HMDA data collection also include all of the current SEC filings data collection materials. In fact, this should create efficiencies for the lenders as they would not need to segregate the collections into two separate public filings. The privacy are minimal as again all of this information is currently publically available.

Finally, there is an emerging issue that I want to bring to your attention, there is new product offering will cause massive damage and as I see it, will provide borrowers with very little recourse. I urge the Federal Reserve to monitor the actions of the Federally Chartered Financial Institutions as they stake out this new market. There is currently a securities- based loan product being marketed to real estate and mortgage brokers as “a creative solution to the credit crunch can now easily obtain a revolutionary new securities-based line of credit and take advantage of real estate opportunities when they arise”. No Doc Private Loans on publicly traded**:** Stocks, Bonds, Mutual Funds, U.S. Treasury Notes and Pink Sheets

I can see it now, you think you are taking out a mortgage on your home, you make your payments and after three years they call the note and ask for full payment. You can’t refinance the loan and you lose your retirement fund or investments. Most middle and upper income families have at least $200k in mutual funds, 401K’s or stocks and bonds. I am so afraid of this product and its long-term implications for cash-strapped middle class families.

And on that happy note, I end my remarks.