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Comments:

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Proposal: Credit Risk Retention
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Let me start by saying I have been a loan officer for 25 years. I have never originated an interest only loan or negative amortization loan. I have originated thousands of loans to first time home buyers who are scrapping together money to get into their first home. The pendulum has swung to the tight side of lending so far that approx. two thirds of the young buyers I speak to are unable to purchase a home. It used to be that downpayment for your first home was the stumbling block. Now we have FNMA, FHMC, rules, bank overlays and underwriting nervousness. Borrowers with perfect but limited credit are not able to buy. That's the reality. The other reality is that there are only 5 major lenders left in the marketplace. These are all mega banks that can make money on ATM and overdraft fees. They don't need to buy mortgages to make money. You are proposing that these banks hold 5% of the loans. In theory that sounds great! Make the big banks be more responsible for the loans they originate or purchase. The reality is that they will just stop! The amount of paperwork, man hours and compliance is not worth it. With Dodd Frank, Respa and all of the other new regulations many loan officers have left the business. Now you are going to drive the banks out of the mortgage business and the good loan officers who never originated the "Bad Loans". The people you are making all of these regulations for are out of the mortgage business. They are selling cars. I am not a politician. I am out in the trenches trying to earn a living. If you are purchasing your first or your fifth home who would you like to help you through that process. Please reconsider this regulation and listen to originators and Realtors who are in the field working everyday.