

From: Paul J. Pongetti
Proposal: 1411 (Ver 2) (RIN 7100-AD70) - Credit Risk Retention
Subject: Credit Risk Retention

Comments:

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Proposal: Credit Risk Retention [R-1411]

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Zip:

Country: UNITED STATES

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Your comment:

I am writing to ask that you support reasonable mortgage lending standards and secure ownership of property for the middle class. I ask that you support strict Qualified Residential Mortgage (QRM) rules requiring a 20% down payment. I ask that you oppose FHA bailouts, and reduce conforming loan limits for Fannie Mae and Freddie Mac mortgages. A return to lower conforming loan limits, 28% debt to income limits, and 20% down payments would promote the secure ownership of property that is in the interest of future homeowners and taxpayers.

As you know, recent housing policies have resulted in rich banks and people hopelessly enslaved by debt. Instead of trying to manipulate the cost of housing higher with more reckless lending standards and government guarantees, home prices should be allowed to return to a sustainable and affordable level. Truly affordable housing is only possible through lower, non-manipulated prices and reasonable lending standards.

The pre 1990s standards of 28% debt to income limits and 20% down payments enabled many to achieve secure ownership of property. Today, when jobs and incomes are less secure, it's reckless to allow home buyers to borrow more. If current policies are allowed to continue, and home prices rise above incomes, uncertainty grows and confidence declines until the next bust. By continuously pumping up asset bubbles, government mortgage policies have turned the working middle class into paupers and nervous speculators.

We have an affordable housing problem in California and I wanted to share my personal situation with you. Where I live in Orange County, CA, the housing market has now entered a new mania stage due to government policies. Currently, my efforts to buy a larger home for my family are being blocked by reckless lending standards. I am the sole wage earner for a family of 5. We live in a small 3 bed room home that we responsibly purchased in 2000. Since then we have lived modestly, and sacrificed luxuries and consumption to put aside savings for a larger home and our children's education. Our savings currently earns less than one percent interest and my income has been stagnant since 2008. We desire a larger 4-5 bedroom home and we are prepared to responsibly purchase with a 20-30 percent down payment. Such a home cost 5 to 6 times our family income last year, and thanks to your policies, now costs 7 times our family income! Instead of allow my family to acquire an asset that we

need, reckless lending standards are propping up values to benefit banks and real estate lobbies.

Please stop promoting lending standards that put the needs of banks and Realtors ahead of working, middle class families. I thought Dodd-Frank was passed to change this? If policy were changed to allow for the secure ownership of homes, the economy would grow on a stable and real foundation; and trust, confidence, demand, and productive investment will return to our economy. Please reject the cronyism of banks and real estate lobbies that have enabled the boom and bust housing market. Please support secure ownership of property for the middle class, the bedrock of the American Dream.

Sincerely,
Paul Pongetti
Orange, CA