

# LEONARD BECKER

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
MS. JENNIFER JOHNSON  
OFFICE OF THE SECRETARY  
20<sup>TH</sup> STREET AND CONSTITUTION AVE.,NW  
WASHINGTON,D.C. 20551

## **COMMENTS ON PENDING REGULATIONS**

### **"NO SKIN IN THE GAME"....NO NAME NO FACE LENDERS !!!**

CONGRATULATIONS ON YOUR INSIGHT THAT LENDERS SHOULD RETAIN A 5% INTEREST IN SECURITIZATIONS,BUT MY OPINION BASED ON A VERY OBNOXIOUS EXPERIENCE WITH A "SPECIAL SERVICER" CONVINCES ME THAT THE RETENTION SHOULD BE AT LEAST 10% ,BUT 25% WOULD REALLY SERVE THE PURPOSE MUCH BETTER.

THE REGS SHOULD ALSO REQUIRE THAT IN THE EVENT OF A DEFAULT,THE LENDER THAT NOW HAS A SUBSTANTIAL RISK POSITION SHOULD BE THE PARTY THAT "WORKS OUT" THE LOAN,NOT A "SPECIAL SERVICER".

MY MOST FRUSTRATING EXPERIENCE IN DEALING WITH LNR PROPERTIES OUT OF MIAMI WAS THAT THEY TREATED ME WITH ABSOLUTELY NO CONSIDERATION OF THE CIRCUMSTANCES AND APPEARED TO ONLY HAVE AN INTEREST IN TAKING OVER MY PROPERTY.

MY COMMERCIAL LOAN ON A SHOPPING CENTER MATURED WITH A BALLOON ON SEPT.1<sup>ST</sup>,2010 AND DUE TO THE SHUTDOWN OF COMMERCIAL REAL ESTATE LENDING AT THAT TIME, I WAS UNABLE TO REFINANCE THE BALANCE.

THEREFORE,THE LOAN WENT INTO DEFAULT,NOT BECAUSE OF FAILING TO MAKE THE MONTHLY PAYMENTS,BUT BECAUSE I WAS UNABLE TO PAY OFF THE BALANCE DUE IN SPITE OF THE FACT THAT MY PAYMENT RECORD FOR THE 10 YEARS OF THE LOAN WAS PRISTINE,NEVER ONCE LATE !

THE LOAN CARRIED AN 8% INTEREST RATE AND IF THE ORIGINAL BANK LENDER WAS STILL INVOLVED, I THINK YOU WOULD AGREE THAT SINCE THIS WAS A PERFORMING LOAN WITH A GOOD RETURN,THAT THE BANKER WOULD HAVE BEEN VERY HAPPY TO EXTEND THE TERM UNTIL CONDITIONS SETTLED DOWN OR WE COULD SELL THE PROPERTY AND PAY THEM OFF.

INSTEAD,BECAUSE THE BANKER WAS "OUT OF THE PICTURE"....THE SPECIAL SERVICER WITH NO SKIN IN THE GAME WAS ABLE TO RIDE ROUGH SHOD OVER ME AND DEMANDED IMMEDIATE PAYMENT IN FULL OR A DEED IN LIEU FOR THE PROPERTY.

THE LOAN CARRIED A DEFAULT INTEREST RATE OF 12% WHICH THE SPECIAL SERVICER ENFORCED PLUS 5% LATE CHARGES.

THE LOAN WAS IN TENNESSEE WHERE THEY WERE ABLE TO GO DIRECTLY TO A SHERIFF'S SALE WITHOUT A COMPLAINT AND JUDGEMENT WHICH DENIED ME THE RIGHT OF "DUE PROCESS" WHICH I THOUGHT WAS A CONSTITUTIONAL RIGHT,BUT EVIDENTLY NOT.

WITH THE PROVERBIAL "GUN TO MY HEAD" I HAD TO PAY OFF THE LOAN IN FULL UNDER DURESS BECAUSE OF THE FOLLOWING ABUSIVE AND GREGARIOUS CONDUCT ON THEIR PART AS FOLLOWS.

THEY WERE HOLDING 484,000 IN ESCROW WHICH WAS 3 TIMES THE ANNUAL AMOUNT NEEDED FOR TAXES AND INSURANCE WHICH THEY APPLIED AGAINST THE LOAN BALANCE,BUT WHEN CALCULATING THE 12% DEFAULT INTEREST,THEY USED THE GROSS AMOUNT OF THE LOAN WITHOUT CREDITING THE 484,000 IN ESCROW !

THEY ALSO DOUBLE BILLED AND OVERCHARGED SOME OF THE EXPENSE ITEMS IN THE PAY OFF STATEMENT AND REFUSED TO CORRECT THEM.

THEN AFTER WIRING THEM THE AMOUNT REQUESTED IN THE PAY OFF STATEMENT,THEY REFUSED TO RECORD A SATISFACTION AGREEMENT UNTIL I SENT THEM ANOTHER 15,000 TO COVER ERRORS THAT THEY CLAIM THEY MADE IN THE PAY-OFF STATEMENT, AND WHEN I REFUSED TO PAY SAME UNTIL THEY CORRECTED THE ERRORS, THEY THREATENED TO REOPEN THE SHERIFF'S SALE AFTER I HAD PAID THEM THE AMOUNT REQUESTED IN THEIR PAY OFF STATEMENT !

THESE KIND OF ABUSES WOULD NEVER HAVE TAKEN PLACE IF I WAS DEALING WITH THE ORIGINAL BANKER THAT MADE THE LOAN WHERE I HAD AN OUTSTANDING CREDIT RATING.

THEREFORE THE ONLY WAY TO PROTECT THE CONSUMER (BORROWER) IS TO REQUIRE THAT THE ORIGINAL LENDER HAS ENOUGH SKIN IN THE GAME TO REQUIRE THEM TO STAY IN THE PICTURE AND WORK WITH THE BORROWER OF WHOM THEY HAVE MORE KNOWLEDGE THAN A NEW THIRD PARTY THAT DOES NOT KNOW THE BORROWER AND DOES NOT TAKE INTO CONSIDERATION A FAIR ARRANGEMENT WITH A TOTAL STRANGER AND DOES NOT TAKE INTO CONSIDERATION THE CIRCUMSTANCES AT THE TIME OF THE TECHNICAL DEFAULT !

ACTUALLY, THESE SECURITIZATIONS WHERE THE RISK IS TRANSFERRED, AND THE SYNTHETICS TRADED ON THEM, WERE PROBABLY A MAJOR CAUSE OF THE COLLAPSE OF THE FINANCIAL INDUSTRY. MAYBE THE BEST SOLUTION IS TO JUST MAKE THEM ILLEGAL !!!!

A handwritten signature in black ink, appearing to read "Leonard Becker". The signature is fluid and cursive, with a long horizontal line extending to the right.