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To: Comments
Cc: Rebekah Leonard
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The proposed program intended to protect consumers will not accomplish its purpose but instead will impose an unnecessary burden on all lenders rather than addressing the issue. Having observed the home mortgage origination process from an originator's perspective, it was clear that the subsequent problems arose not only from unscrupulous originators, but from a system that rewarded each participant, including the borrower who was able to obtain a home loan even with weak income or poor credit. The originators received commissions; the purchasers were able to pool and sell for profit the loan pools upstream with strong bond ratings and bond dealers found willing buyers for their bond products. Recent research on foreclosures reveal that by far the largest numbers of foreclosures come not from sub-prime or Alt A to NINA loans but in fact from high ratio loans. You are attempting to address a problem already corrected by the markets. Rather than focus on the originators, regulations should address loan products and underwriting criteria, something most purchasers of home loans have already put into place. Licensing is a reasonable approach to requiring experience and education; however the concept of registration with personal information and background checks is clearly an unnecessary, unproductive and unwarranted intrusion in the process singling out not the most responsible but only the easiest target to oppress in an overreaction to a market event. A side effect will be to expose lenders to being easy targets for identity theft.

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