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FDIC Federal Deposit Insurance Corporation

Dear FDIC Federal Deposit Insurance Corporation:

As a person who works in the credit union industry, I am concerned about the interagency proposed "Qualified Residential Mortgage" (QRM) standard set forth in the proposed Credit Risk Retention Rules issued on April 29, 2011. Certainly the goal of safety and soundness in the secondary market is a goal that I support - particularly after our financial crisis.

However, the proposed standard for a QRM loan is too narrowly drawn.

In particular, the 20% down payment is too high considering the impact on middle class Americans. One way to provide a balanced approach is to incorporate mortgage insurance into the calculation and to allow for a broader scope of QRM loans. As outlined by the authors of the legislation during a recent press conference, the proposal will have a negative impact on people of modest means.

I am also concerned that this proposal will favor large banks that can hold a significant amount of capital. Depending on how GSE reform unfolds, credit unions may be forced to work through large banks, that have the necessary capital for the 5% risk retention during securitization.

As proposed, the exemption for Fannie Mae and Freddie Mac will only apply while they remain in conservatorship.

We urge you to make changes to expand the definition of QRM to include mortgage insurance and carry forth the legislative intent of Congress.

Sincerely,

Christopher Roe