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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-1503**

July 10, 2011

LA11-1043  
COMMITTEES:  
AGRICULTURE  
SUBCOMMITTEE ON GENERAL FARM  
COMMODITIES AND RISK MANAGEMENT  
SUBCOMMITTEE ON LIVESTOCK,  
DAIRY AND POULTRY  
TRANSPORTATION AND  
INFRASTRUCTURE  
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT  
SUBCOMMITTEE ON AVIATION

Honorable Timothy F. Geithner  
Secretary  
United States Department of the Treasury  
1500 Pennsylvania Ave. NW  
Washington, DC 20220

Honorable Shaun L. S. Donovan  
Secretary  
United States Department of  
Housing & Urban Development  
451 7th Street, SW  
Washington, DC 20410

Honorable Ben S. Bernanke  
Chairman  
Board of Governors of  
the Federal Reserve System  
20th & Constitution Ave., NW  
Washington, DC 20551

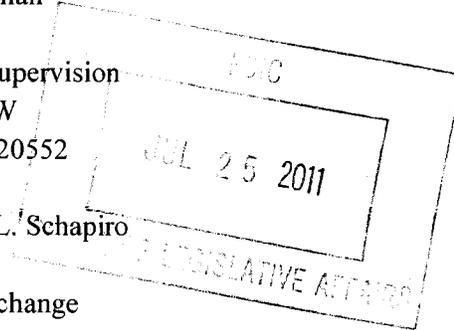
Honorable Sheila C. Bair  
Chairman  
Federal Deposit Insurance Corp.  
550 17th Street, NW  
Washington, DC 20429

Mr. John E. Bowman  
Acting Director  
Office of Thrift Supervision  
1700 G Street, NW  
Washington, DC 20552

Honorable Mary L. Schapiro  
Chairman  
Securities and Exchange  
Commission  
100 F Street, NE  
Washington, DC 20549

Mr. John G. Walsh  
Acting Comptroller  
Office of the Comptroller  
of the Currency  
250 E Street, SW  
Washington, DC 20219

Mr. Edward J. DeMarco  
Acting Director  
Federal Housing Finance Agency  
1700 G Street, NW  
Washington, DC 20552



Ladies and Gentlemen:

As our nation continues on its economic recovery I write with concern that the proposed rulemaking for the regulations to implement a risk retention exemption - the qualified residential mortgage (QRM) - for the Dodd-Frank Act will be overly burdensome to average American households. As proposed, the rule would have a negative impact on the ability of families in my home state of Iowa to be able to realize the dream of homeownership, which is an undeniable piece of the American Dream. Your proposal will ultimately reduce the availability of affordable mortgage capital for these otherwise creditworthy consumers and I urge reconsideration on this matter.

The legislation requires the QRM definition to be based on “underwriting and product features that historical loan performance data indicate result in a lower risk of default,” and provides clear guidance on the types of factors to be used, including documentation of income and assets; debt-to-income ratios and residual income standards; product features that mitigate payment shock; restrictions or prohibitions on non-traditional features like negative amortization, balloon payments, and prepayment penalties; and mortgage insurance on low down payments. This guidance is cognizant of the fact that weak underwriting and toxic mortgages are the main cause of mortgage defaults, not well-underwritten mortgages with affordable down payments.

The proposed regulation goes far beyond the intent and language of the statute by imposing onerous down payment restrictions that will place the ability to purchase a home out of reach for many Iowa families. These restrictions unduly narrow the QRM definition and would unnecessarily increase consumer costs and reduce access to affordable credit. The proposed regulation also establishes overly narrow debt to income guidelines that would further reduce access to credit for a broad range of Americans. Other overly proscriptive elements of the proposal regarding credit history are best left in the context of establishing broad underwriting standards and principles.

I believe that the extensive additional requirements for QRMs in the proposed rule swing the pendulum too far and will have substantial and detrimental consequences to the economic health of my home state of Iowa. As a result, many of my constituents will either be forced to pay much higher rates and fees for safe loans that are deemed “unacceptable” by the extremely narrow QRM criteria, or in many cases not be able to get a mortgage at all. Neither situation is sufficient for the sustained viability of Iowa households, and our nation’s economy.

Sincerely,

A handwritten signature in black ink, appearing to read "Leonard L. Boswell". The signature is fluid and cursive, with a large initial "L" and "B".

Leonard L. Boswell  
Member of Congress