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May 23, 2011

The Honorable Sheila Bair
Chairman
Federal Deposit Insurance Corporation
550 17th Street Northwest
Washington, D.C. 20429

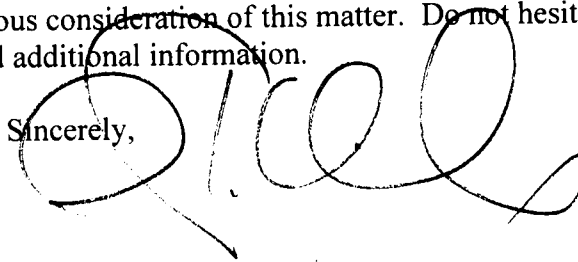
Dear Chairman Bair:

I write on behalf of Ms. Linda Petalas, a resident of Indiana's First Congressional District.

Ms. Petalas has contacted me to express her concerns regarding the proposed rule establishing standards for a Qualified Residential Mortgage. Enclosed, please find a copy of the correspondence I have received from Ms. Petalas. Specifically, Ms. Petalas is concerned that the rule would create an exorbitant down-payment requirement, which would reduce the availability of affordable mortgages for qualified consumers. I would appreciate your addressing her concerns and making her correspondence part of the official comments you receive for the proposed regulation.

Thank you in advance for your serious consideration of this matter. Do not hesitate to let me know if you have any questions or need additional information.

Sincerely,



Peter J. Visclosky
Member of Congress

PJV:en
Enclosure

E-Mail Viewer

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From: "webforms@visclosky.house.gov" <webforms@visclosky.house.gov>
Date: 5/19/2011 7:26:22 AM
To: "IN01IMA" <IN01WYR@housemail.house.gov>
Cc:
Subject: IMA MAIL ON Subject: Ask Federal Regulators to follow Dodd-Fra

Mrs. Linda Petalas
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As both a constituent and one of a million members of the National Association of REALTORS, I believe that our economic recovery depends largely on a housing market recovery. Implementing a new rule requiring a twenty percent or higher down-payments would stop the housing recovery in its tracks.

That is what will happen if the restrictions in the proposed Qualified Residential Mortgage (QRM) regulation are implemented. It is my belief that this was not your legislative intent.

I am writing to ask you as my Senators and Representative to sign on to a letter being circulated by your colleagues, Senators Landrieu (D-LA), Isakson (R-GA), and Hagan (D-NC). In the House, Representatives Campbell (R-CA), Sherman (D-CA), Perlmutter (D-CO), Capito (R-WV), Moore (D-WI), Miller (R-CA), Himes (D-CT) and Posey (R-FL) are circulating a similar letter. Both letters ask Federal Regulators to follow the intent and language of the QRM exemption provision contained in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The proposed QRM rule would create an enormous down-payment requirement and reduce the availability of affordable mortgages for qualified consumers. Few borrowers would be able to meet these requirements and those that do would be forced to pay much higher rates and fees for safe loans did not meet the exceedingly narrow QRM criteria. As a Realtor, I am very concerned by this ruling. My clients for the most part are only able to apply 3.5-10% on a home but are perfectly able to afford the monthly house payments. This will create a real hardship on our industry and all of the people desiring home ownership versus renting.

Thank you for your consideration,
Linda Petalas

Congress included the QRM to exempt safe, well-underwritten mortgages from the risk retention requirements. Well-underwritten loans, regardless of down payment, were not the cause of the mortgage crisis.

I urge you to insist that regulators to follow congressional intent. Please sign the Landrieu-Hagan-Isakson letter or the Sherman-Campbell letter today to help keep the American Dream of Home Ownership in reach.

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