

From: [Ed Horan](#)
To: [Comments](#)
Subject: RIN-3064-AD74 Credit Risk Retention
Date: Monday, May 02, 2011 1:29:24 PM

References: FDIC, 12 CFR Part 373, Docket #2011, RIN #3064-AD74

1. I am submitting comments on the joint rules proposed on Credit Risk Retention and IAW references.
2. These comments specifically apply to Section IV. Qualified Residential Mortgages, c. Eligibility, Request for comment #113, as they relate to the inclusion and qualifications for a Qualified Residential Mortgage (QRM).
3. The Section does not specifically and positively address that a joint "Shared Equity" down payment for a residential property, meets the requirements for a QRM. (Like when a young couple are the Principal Residents and their parents are the Investors).
4. As defined in IRS Publication 527 and IRC Section 280A, a "Shared Equity financing agreement" "is an agreement under which two or more persons acquire undivided interests for more than 50 years in an entire dwelling unit, including the land, and one or more of the co-owners is entitled to occupy the unit as his or her main home upon payment of rent to the other co-owner or owners."
5. IAW IRS rules unless there is a "Shared Equity Agreement" the joint investor buyer (ex: parents) may not claim their full share of the rental property expenses, but must claim the property as a main home.
6. There should be positive statements in the rules under QRM qualifications which :
 - a. Allow a QRM loan to joint buyers who have a Shared Equity Agreement.
 - b. Allow the down payment made by the investor to count fully toward the down payment required for a QRM.
 - c. Allow an Investor completing an IRC Section 1031 exchange to use exchange escrow funds to meet the down payment requirements for a QRM.
7. These clarifying additions to the proposed rules would help young couples getting their home who have not saved the required higher down payment. With two or more parties on the home loan the credit risk is greatly decreased and should qualify as a QRM. Request your inclusion in the proposed rules the statements suggested above.

Please do not hesitate to call me at 571-248-4240 if there are any questions.

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