Public Comments on Credit Risk Retention

Title: Credit Risk Retention
FR Document Number: 2013-21677
RIN: 2590-AA43

Comment: The reason for the down fall in the housing industry was loans made to borrowers with a proven unwillingness and/or inability to repay debt. Loans with "teaser" payments that where well below the amount required to repay the debt. Loans made to real estate investors and/or speculators who had little or none of their own capital at risk. Loans made to borrowers who were allowed to lie about their income in order to obtain the loan.

Our leaders want to put restrictions on lending that will all but force borrowers to put 20% down. By some estimates that puts 60% of the potential home buyers out of the market. Have they considered what that does to our home value and/or our livelihood? 60% of our population will be able unable to become homeowners.....only to cause FURTHER decline in the value our homes, more vacant homes and no new home construction, which we know will cause the unemployment percentage to rise again.

The net effect of this will be that low down payment loans will be harder (if not impossible) to obtain and significantly higher in cost. Yet for decades we've proven that loans with 10%, 5% and even 3% down payments can be made to "qualified borrowers" (being the operative words here) without any negative side effects to housing or our economy.
Therefore it is my believe that the definition of QM is too restrictive and will negatively impact our economy.

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