



December 22, 2011

Mr. Edward DeMarco  
Acting Director  
Federal Housing Finance Agency  
1700 G Street, NW, 4<sup>th</sup> Floor  
Washington, DC 20552



Re: Alternative Mortgage Servicing Discussion Paper

Dear Mr. DeMarco,

The Mortgage Bankers Association has solicited comment from its members to contact your office regarding the referenced paper. The format they recommend appears as a weak appeal, thanking the agency for allowing the industry to comment and for listening to what the industry and its trade groups have to say. I disagree with that approach as it lacks force and shows weakness in the face of overwhelming political opposition. While I agree with the stance of the Mortgage Bankers Association related to servicing compensation, as an industry professional I also believe you should be given the benefit of some straight talk that so many members who fall under your agency's authority fail to give.

When the Mortgage Bankers Association comes to FHFA with recommendations, it does so after much thought and consideration of the issues at hand. I'm not speaking only of servicing fee compensation; I'm speaking of all issues that come before the Agency. The MBA is populated with experts in every area of real estate finance including every aspect of the business. We have professionals who can comment expertly about minuscule aspects of the business that are complex and require analyzation at the highest intellectual level. We are real estate finance specialists with boots on the ground making things work and keeping the country moving by making money flow into real estate deals.

Without solid guidance Fannie and Freddie lack leadership and direction. The number of directives being issued to servicers is nearly impossible to absorb. Penalties imposed through repurchase and compensatory fees are unfair and burdensome. I speak with those agencies everyday and they only continue to get worse. Most of the good people who worked at the agencies have left and have been replaced with untrained, inexperienced and uneducated personnel. Working with them today is many time more difficult than it ever has been in the past, driving up costs and increasing the level of frustration. Sitting where I sit as a mortgage servicer I can only surmise that FHFA is not providing them with well-advised, professional guidance. I also believe that this lack of professional focus is costing the American homeowners billions, perhaps a trillion dollars in losses for lack of solutions to today's problems with no reasonable solutions in sight. It's like the proverbial "rearranging deck chairs on the Titanic."

Bottom line, please pay attention to what the Mortgage Bankers have to say. This is a well organized, very professional organization that can be of great value in lifting this country out of its current economic problems.

Sincerely,

Patrick J. Mansell, CMB  
President