November 30, 2012

Allen Maulsby
Chief Operation Officer/EVP
Colonial Savings, F. A.
2626 West Freeway
Fort Worth, TX 76102

Dear Sirs.

I'm writing in response to the FHFA release "Building a New Infrastructure for the Secondary Mortgage Market" dated October 4, 2012. Colonial is a privately held, federally chartered thrift institution celebrating its 60th year in business, primarily as a residential mortgage lender and servicer. We operate 8 retail deposit branches in the Dallas/Fort Worth, Texas market, and 25 mortgage loan origination offices around the United States. On average we originate approximately $3 Billion in mortgages per year and currently service $18 Billion in first lien residential mortgages for Fannie Mae, Freddie Mac, Ginnie Mae and various other institutional investors. We are one of the very few thrifts in Texas to have survived the banking crisis of the 1980's, and are doing pretty well so far in our effort to survive this most recent financial downturn that began in 2008.

It is our impression that FHFA and the GSE's are attempting to preserve a place for themselves in the mortgage market after full implementation of the Dodd-Frank Act, which called for the elimination of the agencies. This proposal we feel is an example of that attempt. We think these functions should be developed and managed by the private market. It's not clear in this proposal who would own this platform and who would control it. If it's owned and controlled by the government it would institutionalize perpetual government command over virtually the entire mortgage market. This seems to be at odds with the administration's stated goal of reducing the role of government in housing.

There are indications in the proposal that it would support the alternative fee for service servicing compensation model that the industry has vehemently opposed. We would be opposed to any attempt to impose this type of compensation structure through the use of this platform without a thorough debate and comment period. The "Fee for Service" model was roundly criticized by the industry and we see no reason given the requirements of various other new regulations (such as the Qualified Mortgage Rule) to bring it back.

The proposal attempts to write a model PSA agreement that would be enforced by the platform and required for all users. This seems to be a "one size fits all" approach that will limit borrower choice and stifle competition. The market needs to determine the needs of the lenders, borrowers and investors and come up with agreements to meet those needs. Those agreements will differ from time to time to account for different situations. We would be opposed to any attempt by the government to write those agreements and limit choice. PSA agreements are best developed by the parties to the agreement and not dictated by a government agency.

We're not sure where the need for this unified platform comes from. We're not aware that any part of the financial crisis was caused by insufficient securitization platforms. It could be argued investors didn't have adequate knowledge of what they were buying but the market has already corrected that and investors in the future will require more information with or without this platform.

If the goal is to reduce the government's role in housing and entice private capital back into the market there are much easier ways of doing that. The easiest and quickest would be to simply lower the loan amounts the agencies can buy. That would create a much larger field of loans for private capital to compete for.

I appreciate the opportunity to comment on the proposal.

Sincerely,

Allen Maulsby
Chief Operating Officer/EVP