



PO Box 182520
Shelby Township, MI 48318-2520
p. 586-226-2823 f. 248-281-0307
www.mmla.net

December 21, 2011

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

Dear Mr. DeMarco,

We would like to thank the Federal Housing Finance Agency (FHFA) for the opportunity to comment on its "Alternative Mortgage Servicing Discussion Paper," released on September 27, 2011. The world of servicing has undergone unprecedented stress over the course of the economic downturn. We therefore appreciate the interest of FHFA and other regulators in ensuring that we collectively work to improve service to borrowers, reduce financial risk to servicers, ensure flexibility for guarantors to better manage non-performing loans, promote market liquidity and enhance opportunities for competition in the origination as well as servicing markets.

However, we believe any consideration of changing mortgage servicing compensation is premature in light of the ongoing process of developing national servicing standards and the constantly changing regulatory environment due to the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank).

Furthermore, or because of the above, the proposal raises additional questions that require thorough analysis of the costs of required servicing tasks (for both performing and non-performing loans), servicer liability, asset ownership, regulatory requirements, and local legislative actions. The impact of any changes on required net worth, liquidity, and pledged collateral are also not detailed in the document.

Additionally, the proposal does not include input from the state and federal banking and credit union regulators or the FDIC and NCUA. We currently struggle with varying interpretations among the various regulators and do not believe changes should be made without agreement among them. Most importantly, the proposal does not present how the new structures will improve service to borrowers.

Therefore, we urge you to reconsider making any changes at this time to the servicing compensation model until such a time as these questions have been answered and issues resolved. Any alteration to the current system could serve to harm the industry's ability to provide the best possible service to customers.

Thank you for your consideration of our comments. If you have any questions, please contact me at 810-695-7084.

Sincerely,

A handwritten signature in black ink, appearing to be "Brent L. Green", written over a circular scribble.

Brent L. Green, CMB
President, Michigan Mortgage Lenders Association

Mission Statement: To promote the common interest and professionalism of the mortgage lending industry by providing our members with valuable resources, an effective legislative voice and quality education that will guide the people of the state of Michigan in the achievement of the American Dream of successful home ownership.