From: Stephen Lange Ranzini
To: Securitization Infrastructure
Subject: Considerations of Islamic Finance in CSP
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I would encourage your agency to consider how FHLMC seller/servicers such as our firm, who are active sellers of residential loans structured under state laws in conformance with the principles of Islamic finance and who sell those transactions now to FHLMC, or FHMLC itself as principal, would be able to access the CSP to issue pools that consist solely of Islamic finance residential loans. Since FHLMC is the sole buyer of these transactions and there are $1.5 billion of them outstanding at this time, (which is expected to increase a lot over time since 2.6 million Americans are Muslim) and since FHLMC is not currently securitizing them, if FHLMC's portfolio is eliminated over time, as is contemplated, the Islamic finance industry in the U.S. will cease to exist. Since U.S. Muslims are superior credit risks and have a much lower than average propensity to be home owners because of religious reasons to avoid transactions that involve interest (our industry has only been offering these products in the U.S. for about 12 years so the product is still penetrating the target market), by assisting this niche market, additional home buyers can be generated, helping the U.S. economy.

If you'd like more dialogue on this topic, feel free to contact me at your convenience.
Best wishes,
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University Bank's Vision: "We Build the Foundation for Your Future!"

* Founded in 1890, University Bank® is proud to have been selected as both the "Community Bankers of the Year" by American Banker magazine and the American Bankers Association and as the second fastest growing business of any type in the Greater Detroit Region by Crain's Detroit Business. As of 3/31/2013, University Bank was managing $12.7 billion in financial assets for its customers and our 330 employees make us the 9th largest bank based in Michigan. Our IDC Rating of 271 out of 300 makes us the 7th best rated bank headquartered in Michigan. University Bank is a Member FDIC.

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