

The Secondary Market

As seen by Community Banks



April 9, 2012

Current State of the Secondary Market

- Dominated by Fannie, Freddie, and FHA
- Or..the big Aggregators
- Lack of common sense in underwriting- Fear of buybacks continues to tighten the credit box
- Appraisals are more costly, and are overly conservative
- Many good borrowers can't get financing



Lack of Private Capital

- Reduces competition for loans- only the GSE's are buying loans
- Enables the GSE's and Aggregators to keep credit box tight
- Cuts a large portion of possible homebuyers and properties out of the market
- Bank portfolio lending will not fill the void



Whats Needed ?

- Certainty around QM/QRM/National Servicing Standards
- Better PLMBS disclosures and investor protections
- Better due diligence on mortgages going into PLMBS
- Resolution of Fannie and Freddie and the end of the Conservatorship
- Time



Any questions, please call or email:

Ron Haynie

President & CEO ICBA Mortgage

202-821-4436

Ron.haynie@icba.org

Thanks!

