

Mr. Alfonso Jackson
Secretary of HUD

Good Morning Mr. Jackson,

My name is ReGena Sprabary and I'm a mortgage broker out of the Dallas – Fort Worth Area.

I ask that you read this letter with an open mind, because I would like your help and input.

I work with companies to educate and help their employees acquire a mortgage loan. Please see my attached brochure and mission statement.

Three years ago I came up with an idea for payroll deduction of mortgage payments for credit challenged buyers.

I shared the idea with Roger Glendenning, Deputy Director of Rural Housing in Washington. I spoke with Elliott Johnson, Product Specialist for HUD in Washington. Both gentlemen thought this was a great idea and definitely part of the future of mortgage lending.

Over the last 3 years, I have communicated this payroll deduction possibility with various Lenders and Housing Authorities.

Everyone thinks it is a great idea, however no one is willing to “step out of the box”.

Here is how we have boxed in the credit challenged buyer.

The lending system as a whole is “credit score driven” and if the borrowers credit score is lacking, then we have created plan B and C, which as I'm sure you are aware is B and C Paper.

This in some cases is a larger down payment with a higher interest rate or in many cases, No Down Payment with an Arm Product, thereby, making it necessary for the borrower to refinance in 2 to 3 years. There are even “interest only” products available, all this does is help buyers get into a home that they really cannot afford.

Sir, these are not programs that are in the borrowers best interest.

I have been in mortgage lending for over 20 years Mr. Jackson, and it has been my experience that people don't go out and acquire debt and then turn around and choose not to pay their obligations.

In every case, the borrowers circumstances changed beyond their control.

Yet, the lending system penalizes these people with programs that are not for their benefit.

WHEN SOMEONE IS DOWN, YOU DON'T KICK THEM, YOU GIVE THEM A HAND UP.

I'd like to give them a hand up through FHA.

A payroll deduction for a mortgage payment is a win/win for both the lender and the buyer. It ensures that the lender gets their mortgage payment promptly and the borrower gets a good mortgage loan without being penalized.

You could argue *What happens if the borrower loses their job?*
I say to you that a borrower could have perfect credit and lose their job.
Perfect credit or negative credit, the borrowers are in the same boat.

I have tested the waters, by this statement I mean that I have spoken with numerous companies and presented this idea to them. These companies are very much open to payroll deduction and hope that this is something that comes to fruition, as they see it as an employee benefit to their employees.

With the technology of today, payroll deduction with these companies would be easy to set up. In fact, the vehicle is already in place with most companies across the nation. To accommodate the payroll deduction, it would require the lender to develop a software program that could receive the mortgage payment.

Mr. Jackson would you help me get this off the ground?
With your approval, even as a test pilot, I have a lender who would create the software to receive the mortgage payments.
They want and need the comfort level of your approval to *pioneer on this new frontier.*

Thank You For Your Attention,

ReGena Sprabary 8/10/2005

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