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The Honorable Michele Bachmann
United States House of Representatives
107 Cannon House Office Building
Washington, D.C. 20515-2306

Dear Representative Michele Bachmann,

My name is Aaron Allen and I am writing this letter to make you aware of my concerns regarding the mortgage crisis. First, I want to tell you a little about myself. I was born in Minnesota at St. John's Hospital. Once reaching the age of majority, I enlisted in the United States Marine Corps. I spent two tours in Iraq attached to the only active bridge company in the USMC. After being honorably discharged, I came back to my home state of Minnesota. I am currently a student at the Minnesota School of Business in Elk River. One of the classes that I am currently enrolled in is Business Law. We recently were assigned to write a research paper on the mortgage crisis that the United States is facing today. In my paper, I outlined the major causes of the mortgage crisis and gave some insight on what could have been done to prevent such a calamity.

The mortgage crisis, as you already know, was caused by a combination of things. A mix of subprime lending, aggressive financing, and the "American Dream" of owning a home caused the banks and mortgage lenders to go deep into the red. I believe the main problem was financing. Banks offered easy access to money. They didn't care how risky the loans were because they would sell the mortgages to Wall Street and investors as soon as the closing was done. Furthermore, loan applications weren't checked for accuracy. Some lenders only required a good credit score to be approved. I purchased my first home in 2008 and it was an extremely difficult task to accomplish. The lender required W-2s, paystubs, and much more documentation. Documentation and proof of income is key to preventing this dilemma from happening again. Another requirement that needs to be implemented is a mandatory 10% minimum down payment. When a homebuyer puts money down, it not only shows their commitment, but also the homebuyer would be less inclined to walk away from their investment if they had put money into it. Lastly, an applicant's credit score must exceed 700 from all three credit bureaus. A credit score is like a reputation and can give great insight on how responsible an applicant has been.

In closing, I know certain things cannot be prevented or foreseen. The mortgage crisis is a prime example. All the factors that caused this epidemic fit together just right to create this issue and make it such an extreme problem. I don't want this to ever happen again, and I wanted to give you some suggestions on how to accomplish that. I hope you will pass on my concerns and suggestions to the appropriate parties who can make the necessary changes. Thank you for everything you've done and thank you for taking the time out of your busy schedule to read this letter.

Sincerely,

Aaron J. Allen