

**Edward H. Smith**  
PMB 296 at 816 Elm St., Manchester, NH 03101  
Phone: (603) 867-1022 Fax: (603) 218-6624  
Email: edsmith@ehsportal.com Website: www.ehsportal.com

July 14, 2012

Via Priority Mail #: 0310 2640 0001 3436 9851

Alfred M. Pollard, General Counsel  
FEDERAL HOUSING FINANCE AGENCY  
Constitution Center  
400 7th Street, SW  
Washington, DC 20024

Re: Your Letter Dated February 2, 2012

Dear General Counsel Pollard:

I want to thank you for your February letter and, especially, for taking the time and effort to respond in such an informative manner given the complexity and crucial nature of the issues involved. It was very much appreciated.

Since receiving your letter, I reviewed hundreds of foreclosure cases. I have reached twelve key conclusions which I believe constitute an "accurate conceptual foundation" upon which a viable solution to the national housing crisis can be built.

The conclusions are:

1. A vast majority of U.S. homeowners never had the legal training and/or technical ability to even begin to adequately understand the terms and conditions of their mortgage loan documents.
2. As a result, U.S. homeowners have become "blind obligors" to a mountain of inflated debt (inflated in terms of interest rates, costs, and/or over-appraisals of property values) used to fuel the secondary market's desire for derivative financing opportunities based on the securitization of mortgage-backed, collateralized debt obligations.
3. Due to recent economic conditions, many millions of these inflated mortgage loans went into default and many millions more are going into default.
4. The government and the banks, not the nation's homeowners, have controlled the housing and mortgage markets.
5. The so-called "bail-out" funds were distributed by the government to the banks and financial power-houses; and not to U.S. homeowners.
6. An insufficient amount of the "bail-out" funds made it to American homeowners in time to save millions of unnecessary foreclosures from taking place.
7. The advent of "foreclosure mills" has served to defeat (a) legitimate mortgage modification efforts, (b) the legitimate pursuit of other foreclosure alternatives, and (c) a host of other foreclosure defenses; by conducting the mass-foreclosure of toxic assets.
8. The modus operandi for the attorneys operating foreclosure mills is to totally defeat the requisite legal requirements and procedures (especially related to substantiating their clients' legal standing to foreclose) in order to successfully foreclose thousands, if not millions, of mortgages

that are, or were, legally compromised as a result of various securitization and other defects which developed as mortgages were bought and sold in the secondary market.

9. The attorneys running foreclosure mills have conducted many thousands of illegal foreclosures through their improper, concurrent representation of parties with separate, and sometimes competing, interests; evidenced by thousands of foreclosures where the servicer, bank or lender, GSE or other investor, auctioneer, the seller and buyer at auction, and even MERS, are all represented by the same law firm at the same time in the same foreclosure proceeding.

10. The net result of the operation of foreclosure mills in the United States is that homeowners have found it all but impossible to defend against wrongful foreclosures without very substantial financial resources.

11. The "domino-effect" of illegal foreclosures (i.e. on personal, family, business, community, state, and regional levels, etc.) is contributing to the fast-growing likelihood that the restoration of the U.S. economy, to that which has been previously enjoyed by the majority of people of the United States, will not occur.

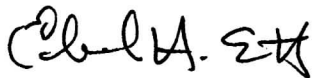
12. A key step in resolving the national housing crisis is the immediate and total eradication of foreclosure mills.

Unfortunately, the negative impact of the foreclosure crisis has been unmercifully amplified by the participation of attorneys who are running these foreclosure mills by intentionally using their status as "officers of the court" to orchestrate extraordinary levels of fraud. This rampant fraud is far-reaching, profit-driven, and will eventually destroy any chance of a housing market recovery.

I have compiled extensive information, with supporting evidence, that shows exactly how certain frauds have become "SOP" in the foreclosure arena. At your request, I am certainly willing to pass on that information to your agency; together with the basic outline of a suggested program that would turn "mortgage modifications" into a constructive process (instead of a disingenuous prelude for the pre-determined preference to foreclose targeted mortgages). Such a program could serve to restore confidence in the housing market.

Regardless of your interest, I want to thank you again for your previous response. If your "above and beyond the call of duty" responsiveness catches on in Washington, half the battle for economic recovery will already be won.

Best regards,



Edward H. Smith