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CONTACT: Richard Ivar Rydstrom, Chairman CMIS
(949) 678-2218 rrydstrom@gmail.com

Coalition for Mortgage Industry Solutions (“CMIS”)

Statement Regarding Treasury Secretary Paulson’s Proposed Plan to Purchase Mortgage Assets & The Establishment of a Temporary Guaranty Program for the U.S. Money Market Mutual Fund Industry

WASHINGTON, D.C., OC, CALIFORNIA (September 19, 2008) – Today, Richard Ivar Rydstrom, Chair of the Coalition for Mortgage Industry Solutions (“CMIS”) issued the following statement with respect to the Treasury Secretary Paulson’s Proposed Plan to Purchase Mortgage Assets and The Establishment of a Temporary Guaranty Program for the U.S. Money Market Mutual Fund Industry:

“We support the proposed plan as a necessary first step. Due to the serious financial warnings realized this past week, and the existing quagmire of conflicting laws, regulations, and guidelines, Secretary Paulson, if given the requisite authority and powers, is best positioned to bring about change. We need both interim and long term comprehensive change. Illiquidity is the *terror* of the severity of the problem. The trees are already ablaze. Problems of this magnitude require radical and immediate steps. The proposed plan is an appropriate first step, and addresses several key issues that must be included in any successful plan, and builds upon the changes recently put in place. Although the proposed powers are a sweeping statement of authority, kept in check, it is necessary to affect change under these exigent conditions. We look forward to working to help define amendments or supplements that address the myriad of other issues that must be addressed for the benefit and protection of borrowers, as well as lenders, servicers, issuers, REMICS, and all other diverse conflicting self-interests. However, we must include in any plan, expressions of authority and protections for all market participants, including borrowers. We must set the foundation so that borrowers can reach true monthly affordability, and lenders can realize true incentives and protections that compel them to opt into the voluntary principal forgiveness or quarantined modifications or other loss mitigation devices, including short payoff refinances, and short sales, all without the uncertainty of authority or risk of liability for doing so. We must also set the foundation for the healthy return of a securitization, and the enhanced growth of the newly authorized Covered Bond market.”

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The Coalition for Mortgage Industry Solutions provides a unique forum in which leaders from across the mortgage and finance industries can work together and take a leading role in defining meaningful and viable solutions for the welfare and benefit of their industries, the economy, and the consumer. The Coalition seeks to convert all related industry and consumer diverse and conflicting self-interests into comprehensive workable solutions, legislative and regulatory initiatives. The Coalition also acts as an arbiter for conflicting self interests. For more information, go to www.mortgagecoalition.org.