June 18, 2015
Triad Financial Services
4336 Pablo Oaks Court
Jacksonville, Florida 32258

Re: Proposed Regulatory Prudential Standards for Non-Bank Mortgagers

Task Force Members,

For over 50 years Triad Financial Services, Inc. has provided extraordinary service in the Manufactured Housing Industry. Triad prides itself upon its ability to help potential home owners reach their goals. Triad welcomes the opportunity to comment on Proposed Regulatory Prudential Standards for Non-Bank Mortgagers and agrees with most of the standards being proposed in the March 25th release. For the most part, Triad believes that these standards will benefit the industry a great deal; however, there are a few provisions that are overly burdensome and vague in terms coverage. Respectively, Triad is asking for the alteration of theses provision to properly address the aim of the Task Force. Triad supports a risk weighted approach to determining the applicable scope of the proposed standards in opposition to the analysis of potential financial impact to non-bank servicers.

The reporting standard that requires notice to be sent to state regulators upon the change of 10 percent ownership of the servicing entity is unduly burdensome. The Task Force has expressed the notion that standards should be scaled based on the complexity, risk profile and size of the company. This standard should only be applicable with the aforementioned notion being applied. Many non-bank servicers already report changes in ownership through NMLS to the same regulators. In keeping the proposed standard the way it is non-bank servicers will be subject to overly burdensome duel reporting. Triad is concerned about the ways the notice can be triggered. However, if the triggering event is based on the complexity, risk, or size of the profile the proposed standard could potentially target the entities that the standard is directed towards and set an industry wide baseline threshold of complexity, risk and size of portfolios accepted by non-bank servicers.

Triad also recommends limiting the liquidity standard if the Task Force is considering using percentages instead of basis points. Triad believes that the proposed liquidity standard should apply a standard of 3.5 basis points for non-bank servicers. If the Task Force is considering using percentages for the standard, please consider that the Task Force has suggested that the proposed standards should be scaled based on the complexity, risk profile and size of the company. Triad agrees with the aforementioned notion and further prescribes that these factors should be used to determine the applicability of the proposed standards, only if liquidity is based on percentages. The liquidity standard is a catchall that burdens entities with no actual risk. Triad suggests that a triggering event defined by the task force should be used to determine if the proposed standards are warranted. For example, a determination based on the amount of unpaid balance in a portfolio would limit the standard to portfolios of a certain size. In addition, a determination based upon the initial one hundred million dollars of unpaid balance in a portfolio would trigger the applicability of the liquidity standards. Finally, a triggering event such as a percentage of non-preforming loans within a portfolio would limit the standard to portfolios of a certain complexity and a particular degree of risk. Triad recommends that the application and scope of the proposed liquidity standards should be directly linked to the risk, complexity and size of the portfolio serviced but only if the liquidity standards are based on percentages.

Thank you for reviewing the comments submitted.

Respectfully,

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