From: Pam Jones
To: 2020-RFI-Taskforce
Subject: CFPB-2020-0013
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Please consider my comments:
Consumer Finance is driven by false claims of "securitization." Consumers are lured into damaging transactions. And false claims for enforcement are filed daily on behalf of unidentified "holders" of unidentified "certificates" that neither convey nor even allow any knowledge nor any right, title or interest in any debt from a consumer.

The Agency should conduct hearings on the identification of claimed creditors who have both paid for and currently legally own the underlying debt. Rules should require such identification. It's what the law and common sense require.

The current system involves no purchase of underlying debt by any investor. As a result claims of servicing rights or administrative rights over a loan are not based on a grant of authority from the owner of the debt. Instead servicers are merely designated by investment banks with no vested interest in any loan except the expectation of additional profit.

Foreclosures and other collections are regularly conducted for profit and not repayment.

This undermines the entire paradigm of lending because the "lenders" are only originators and the investment bank is providing funding from money advanced by investors for reasons other than the purchase of debt, the securities issues are neither mortgage backed nor exempt from securities regulation.

In reality such scenarios present an entirely different scenario than their label as "loans." The payment of money to or on behalf of a consumer is actually a royalty payment for the use of data relating to the the consumer's name, signature, reputation and home or car. It is the data that is sold not the debt. This is why no claimant in any foreclosure or bankruptcy has ever been able to present proof of payment for the debt despite the clear requirement that they do so under Article 9 §203 UCC.

The royalty payment is conditional and creates a concurrent liability of the consumer. The arrangements is not disclosed and neither is the compensation, profits, bonuses and fees arising from issuing securities, which is the actual basis for the transaction with the consumer., But for the issuance of securities the transaction would never have occurred. If proper disclosure had occurred the consumer, pursuant to TILA and other statutes would have had an opportunity to evaluate and bargain for better terms on the royalty payment.

Collection efforts and foreclosures are inconsistent with the royalty payment and are only viewed as legal because the transaction is labeled as a loan and the

designated claimant, who has no financial interest and represents nobody who owns such an interest, is labeled as a claimant, a Plaintiff, a successor, or a lender — all of which labels are false.

In a conventional loan the lender is known by the "borrower" to have a stake in the outcome which depends upon success of the loan performance. In the current paradigm that is reversed. Investment banks are able to multiply vast profits by simply taking money from investors at one rate (a conditional promise of return on investment) and then lending at another rate to "borrowers." The incentive is to make loans that will fail and then bet on their failure — the opposite of a conventional loan paradigm. This produced an undisclosed yield spread premium of as much as 70% of the amount invested or 300% of the amount loaned.

By grouping such "risky" loans into a tranche, the investment bank knew with certainty that an "event" would occur (many declared "defaults") thus diminishing the value of the tranche that triggered an insurance or hedge counterparty payment to the disinterested investment bank — thus vastly increasing already exorbitant profit margins. Credit default swaps were disguised sales of the tranche triggering still more payments, while the "borrower" was in the dark unaware that everyone had been paid and was continuing to receive payment while demands were made to make still more payments or even give up collateral.

The base assumptions that such collections, enforcements and foreclosures ultimately result in payment to someone who paid value for the debt is wrong. Such efforts are strictly for-profit ventures and do not result in any restitution for an unpaid debt.

This agency is not only devoted to protection of the consumer but also for the protection of our financial system which is now undermined everyday by the sales of "certificates" issued in the name of "REMIC Trusts" that have no legal existence and no ownership or claim to ownership of any debt, note or mortgage.

Stop treating the investment banks and their co-venturers as creditors. Start requiring full transparency on the money chain. If it matches up with the claim then it should be allowed. If it doesn't, then no claim should be allowed and anyone who makes such false claims should be the subject of discipline and damages.

The courts and the public need guidance on these complex transactions that are disguised as loans.

Thank you,
Pam Jones

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