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07/22/2011 01:50 AM

To regs.comments@frb.gov

cc

Subject Comments on Regulation Z; Truth in Lending [R-1417]

Date: Jul 22, 2011
Proposal: Regulation Z; Truth in Lending
Document ID: R-1417
Document Version: 1
Release Date: 04/19/2011
Name: Matt Sydore
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
Postal Code:

Comments:

I am writing regarding owner-financed transactions. I support Buyers and Sellers being free to contract to make non-traditional arrangements to buy, sell and finance real estate. So many people are locked out of the traditional financing market today and a few get relief by reaching a private arrangement with a seller to offer them some form of private financing. That may be in the form of a mortgage granted the seller, a lease-option, an installment sale or some other non-traditional financing methodology. Private sellers are in no position to comply with a 169 page set of rules and regulations in order to offer such financing and should not have to understand and comply with those rules unless they are in the business of providing such loans as shown by more than three transactions a year. These proposed rules as applied to seller financed transactions solve a non-existent problem and will lock consumers who do not have stellar credit out of the housing market - maybe permanently. Seller-financed deals had nothing to do with the current lending crisis or financing melt-down and no rule is needed to control them. Eliminating the realistic possibility of seller financing by making complicated rules with draconian penalties for non-compliance will only further hurt American home sellers and home buyers who wish to make a non-traditional arrangement between people.

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07/21/2011 08:16 PM		cc	
		Subject	Comments on Regulation Z; Truth in Lending [R-1417]

Date: Jul 21, 2011
Proposal: Regulation Z; Truth in Lending
Document ID: R-1417
Document Version: 1
Release Date: 04/19/2011
Name: Carol Koppey
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country:
Zip:
Postal Code:

Comments:

Regulation Z is so damaging to private citizens' ability to sell their residential property using owner/seller financing that it should be exempt from this ruling. Owner financing did not contribute to the housing crash. The vast majority of foreclosures are bank financed properties; not owner financed properties. The implications of this ruling are widespread, including to: 1) The Seller - Lending rules imposed on an institution should not be imposed on sellers who do not get involved with making loans on a daily basis. (In fact, there is no "loan" in seller financing; no credit or money is extended. The buyer simply pays the seller for the property.) Homeowners are not bank officers. By requiring them, many of whom are elderly, to qualify buyers using bank standards means they will simply be unable to sell with owner financing, or perhaps, depending on the property and given today's market, to even be able to sell at all. The property is the seller's asset and the terms of sale should be that agreed upon by the seller and the buyer. In addition, many older people rely on the money received via owner financed transactions to supplement their retirement income. If Regulation Z is approved, they are saddled with property they cannot sell plus expenses to continue to maintain it and at the same time, a loss of income. 2) The Buyer - Many people cannot qualify for conventional mortgages. Seller financing should be a viable alternative for home ownership, as it may well be their only option. 3) The Market - A large number of properties do not qualify for conventional bank financing; eg., older properties, single wide mobile homes with land, properties that require repairs that the seller cannot afford to undertake, but which the buyer is willing to negotiate and assume. If an owner is forced to comply with new requirements that he cannot understand or meet, there will be a glut of unsold properties on the market which will lower real estate values even more.
In view of the effects on the seller, the buyer, and the market, please protects consumers who buy and sell via owner financing by not limiting the opportunities and alternatives available to them. Exempt owner/seller financing from this proposed ruling.

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07/21/2011 07:39 PM

To regs.comments@frb.gov

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Subject Comments on Regulation Z; Truth in Lending [R-1417]

Date: Jul 21, 2011
Proposal: Regulation Z; Truth in Lending
Document ID: R-1417
Document Version: 1
Release Date: 04/19/2011
Name: Brian D Flood
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
Postal Code:

Comments:

July 22, 2011 Ms. Jennifer J. Johnson, Secretary Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue, NW. Washington, DC 20551 Subject: Comments regarding Ability to Repay Proposed Rule, 76 FR 27390 - 27506 Docket No. R–1417 and RIN No. 7100–AD75 Dear Ms. Johnson:

The purpose of this letter is to support the comments shared with the Board by IMMAAG with respect to the Board's proposed Ability- to-Repay rule, Docket # R-1417. I share their belief that it is time for a coordinated and comprehensive approach to regulating the RESPA and TILA statutes and the CFPB provides the vehicle to accomplish that. The offending products that contributed to the financial issues we face have largely been removed from the market and the independent mortgage originators and brokers who were inappropriately blamed early and often are now required to be educated and licensed to do business. There is no reason to rush to change. While I realize that the Dodd-Frank Act requires regulation of Title XIV, I also recognize that the Bureau has eighteen months to implement those regulations and that it has already set upon activities to combine disclosure components of RESPA and TILA. It would be an unfortunate misuse of resource not to expand that effort, slow down the current pace of regulatory change and create an effort that is more comprehensive and goal oriented. I believe IMMAAG has made a strong argument toward that end and I support its recommendation. In the event the Bureau feels it is necessary to move forward with independent rather than a coordinated action with respect to the issues related to Docket R-1417 I ask that you consider both IMMAAG's and the California Association of Mortgage Professional's specific comments regarding Ability to Repay, Qualified Mortgages, Safe Harbor and Points and Fees. Sincerely, --Brian Flood

steve_anderson
07/20/2011 08:40 PM

To regs.comments@federalreserve.gov
cc
Subject Ensure that manufactured home buyers have access to safe and affordable mortgages

July 20, 2011

Federal Reserve
20th Street and Constitution Avenue,
Federal Reserve System
Washington, DC 20551

Dear Federal Reserve:

Subject: Regulation Z-Docket No. R-1417, RIN No. 7100-AD 75

We commend the work of the Board of Governors of the Federal Reserve System on the proposed rule that amends Regulation Z to expand the scope of the ability-to-repay requirement and establishment of standards for complying. We concur with CFED's recommendations that the proposed rule could better serve consumers that purchase or own manufactured homes by taking into consideration the recommendations below as final decisions are made about this rule's implementation:

* Include the consumer's entire credit history, not just a credit score in the credit-related underwriting factors that lenders must consider.

* Allow for a rebuttable presumption in the event that a creditor does not accurately consider the consumers' ability to repay the loan.

* Recognize that allowing small creditors in rural areas to use balloon-payment "qualified mortgages" creates a unique challenge for owners of manufactured homes, for whom a robust refinance market does not exist. Please monitor this market closely and move quickly to replace these types of mortgages.

* Use Alternative 2 for limits on points and fees for "small loans." Alternative 2 eliminates mathematical anomalies or market distortions and is fairer for consumers.

* Reconsider the exemption for employees of manufactured home retailers or implement disclosure requirements regarding manufactured home loans with points and fees that exceed the limits established by this proposed rule.

We thank you for your leadership and commitment to improving consumer protections for homeowners and buyers in the United States.

Sincerely,

Steve Anderson

frboard-web-site@federalreserve.gov

07/21/2011 04:37 PM

To regs.comments@frb.gov

cc

Subject Comments on Regulation Z; Truth in Lending [R-1417]

Date: Jul 21, 2011
Proposal: Regulation Z; Truth in Lending
Document ID: R-1417
Document Version: 1
Release Date: 04/19/2011
Name: Roger G Kleman, Jr.
Affiliation: Able to Loan
Category of Affiliation: Other
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:
RE: Regulation Z Docket No. R-1417 and RIN No. 7100-AD75

Dear Ms. Johnson, This letter is in response to the Board's request for public comment regarding Regulation Z in the proposed Ability-to-Repay rule.

I would like to offer recommendations in the following areas of the proposed rule: (1) the 3% cap on points and fees; (2) the calculation of points and fees; (3) the small loan exemption on the points and fees cap; and (4) the safe harbor. I am a Loan Originator that volunteers, serves, and works in the my local community. Loan Originators are small business owners that play an important role in the local marketplace to foster positive competition in order to ensure that the consumer receives the best service at that lowest combination of rates and fees. I am supportive of the Board's efforts to implement the Ability-to-Repay rules directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

However, I have several recommendations to improve the rule that will minimize unintended consequences while still protecting consumers and adhering to the intent of Congress. 3% Cap on Point and Fees Section 1412(b)(2)(A)(vii) of the Dodd-Frank Act prescribed a 3% cap on points and fees to be part of the definition of a Qualified Mortgage (QM).However, Section 1412(b)(3)(B)(i) states that, "The Board may prescribe regulations that revise, add to, or subtract from the criteria that define qualified mortgage upon a finding that such regulations are necessary or property ensure that responsible, affordable mortgage credit remains available to consumers in a manner consistent with the purposes of this section…" The Board's proposed QM includes the 3% cap on points and fees. I strongly believe that a cap on points and fees is not a proper test to determine a borrower's ability-to-repay and should be removed from the definition of the QM. I suggest instead that the QM Alternative1 at minimum include the debt-to-income (DTI) ratio and credit history standards from the General Ability-to-Repay Standard (GARS). A borrower's DTI ratio and credit history are substantially better standards to assess a borrower's ability-to-repay. Additionally, the DTI ratio takes into account points and fees when financed into the loan. Calculation of Points and Fees The proposed method of calculating points and fees for the QM does not treat mortgage brokers and creditors/banks equally. A mortgage broker must include both the broker and loan officer's compensation in connection with the loan. However, a bank only needs to include the cost of the internal loan officer's compensation in connection with the loan. The bank does not include its internal compensation on the loan. This is a significant disadvantage for mortgage brokerage firms competing with retail banks. I ask the Board to amend the points and fees calculation to ensure that mortgage brokers and banks are treated equally under the law. I suggest the Board amend the rule by removing a broker's compensation from the point and fees calculation. Another option would be to increase the 3% cap on loans originated through a broker to 5%. If this change is not made, both brokers and consumers will be harmed. Small Loan Exemption Section 1412(b)(2)(D) of the Dodd-Frank Act directs the Board to provide exemptions to the 3% cap on smaller loans to reduce the potential impact on credit availability. The proposed rule provides two options that both increase the 3% cap on a sliding scale beginning at $75,000. I recommend the Board increase the small loan exemption to $175,000. The attached "Points and Fees Illustration" shows that the $75,000 threshold is too low and will drive all borrowers' under$175,000 to retail banks, ultimately limiting consumer options and forcing them into higher rate loans. As shown in the "Points and Fees Illustration, "loans below $175,000 using the current calculation of points and fees will exceed the 3% cap, while retail banks never exceed the cap above $75,000 and could go even lower if they were to roll the fees into the rate which a broker is unable to do. Safe Harbor I am concerned that the Board's proposed rule includes a legal safe harbor from an ability to repay challenge for loans that meet the QM Alternative 1, while not offering (at a minimum) a comparable safe harbor for loans that meet the GARS standard. When comparing the GARS and QM, it is clear that the comprehensive underwriting criteria adopted by GARS is superior in determining ability to repay, while the QM has little to do with such, instead sacrificing underwriting standards for plain vanilla products and fee caps. Under the current structure of the proposed GARS and QM Alternative 1, I am concerned that lenders will drive consumers to the QM to get the safe harbor. I am further concerned that over time, the lack of minimum underwriting standards in the QM could lead to safe harbor loans being made that a simple test comparing total income to total debts would have proven mathematically unsustainable. A borrower's predictable failure on QM Alternative 1 loans will not be averted simply because the loan lacks certain features or was obtained below a randomly selected one-time fee cap. I believe it irrational and indefensible to protect lenders of such loans while not offering equal or greater protection to lenders who choose to soundly underwrite loans under GARS. Thank you for your consideration of our views on the Boards proposed rule on the Ability-to-Repay. I look forward to working with the Board and CFBP to help implement this rule with the best possible outcome for consumers and the housing finance system.

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07/22/2011 10:59 AM

To regs.comments@frb.gov

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Subject Comments on Regulation Z; Truth in Lending [R-1417]

Date: Jul 22, 2011
Proposal: Regulation Z; Truth in Lending
Document ID: R-1417
Document Version: 1
Release Date: 04/19/2011
Name: Sandra P Truslow
Affiliation:
Category of Affiliation: Other
Address:
City:
State:
Country: UNITED STATES
Zip:
Postal Code:

Comments:

Please accept my request that you make an exception for owner-financed transactions! I support Buyers and Sellers being free to contract to make non-traditional arrangements to buy, sell and finance real estate. So many people are locked out of the traditional financing market today and a few get relief by reaching a private arrangement with a seller to offer them some form of private financing. That may be in the form of a mortgage granted the seller, a lease-option, an installment sale or some other non-traditional financing methodology. Private sellers are in no position to comply with a large set of rules and regulations in order to offer such financing and should not have to understand and comply with those rules. These proposed rules as applied to seller financed transactions solve a non-existent problem and will lock consumers who do not have stellar credit out of the housing market - maybe permanently. There should not be any limits as to how many seller-financed mortgages any individual can do. Seller-financed deals had nothing to do with the current lending crisis or financing melt-down and no rule is needed to control them. Eliminating the realistic possibility of seller financing by making complicated rules with draconian penalties for non-compliance will only further hurt American home sellers and home buyers who wish to make a non-traditional arrangement between people.

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07/22/2011 01:09 PM

To regs.comments@frb.gov
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Subject Comments on Regulation Z; Truth in Lending [R-1417]

Date: Jul 22, 2011
Proposal: Regulation Z; Truth in Lending
Document ID: R-1417
Document Version: 1
Release Date: 04/19/2011
Name: Hope Brown
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

Regulation Z does not exempt property owners who wish to use seller financing via a Section 453 Installment Sale. In this type of very common transaction no money is lent and there is no table funding. In addition, under the Truth in Lending Act they are not considered creditors! Also, there are a lot of BUILDERS that need to sell spec homes via seller financing. Regulation Z adds so many new rules on these simple transactions as to guarantee a freeze in action on the part of the seller and the buyer. The housing market is already in reverse. In the name of "consumer protection" how much more regulation can be endured before we cause irreparable harm to our most basic freedom--- the freedom to own and enjoy and dispose of property!

"Meade.Cindy" <Cindy.Meade@SunTrust.com>

07/20/2011 03:05 PM

To <regs.comments@federalreserve.gov>

cc

Subject Docket No. R-1417

Docket No. R-1417 and RIN No. 7100-AD75.

To whom it may concern:

I have been in the mortgage industry for the past 21 years and this is the first time I have felt compelled to write. I have always tried to serve my clients to the best of my ability and to provide information to them as if they were part of my family. There are so my new regulations that no one can possible be compliant and meet the needs of the consumer.

Please adopt a safe harbor (as opposed to a rebuttable presumption) that the ability to repay standard has been met. It is imperative that clear and concise standards with a bright line test be established so that we and other lenders can readily determine and prove our compliance with those standards.

As it stands many consumers will not be able to obtain loans of less than $75,000 due to the points and fees limits, and this likely will adversely impact minorities. A higher threshold loan amount will better serve consumers.

The proposed rule adversely impacts affiliated business arrangements which Congress deemed permissible in RESPA. Many fees charged by such third party settlement service providers are prescribed by state law. Therefore, there is no reason to treat affiliated third party settlement service providers differently than those which are not affiliated with the lender.

The limit on "points and fees" must be revised to exclude employee compensation to avoid such compensation being counted twice. The "points and fees" calculation should not include double counting of any item.

The proposed rule leads to fewer safe and sound product options to consumers due to treatment of private mortgage insurance premiums which likely will increase the dominance of government loans in certain markets.

The vast quantity of new regulations is making my ability to serve consumers impossible. Many banks and smaller lenders are leaving the market which adversely impacts consumers by restricting access to credit and making loans more expensive for those who can obtain them. I urge regulators to adopt a definition of "qualified mortgages" which can then serve as the "qualified residential mortgage" definition under the risk retention rule.

Please publish for comment any revised proposed rule before final adoption and implementation.

Thank you for your time.

Cindy Meade

Assistant Vice President, Sr. Mortgage Consultant

NMLSR# 658960

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Lawrenceville, GA 30043

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07/15/2011 01:46 PM

To regs.comments@frb.gov

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Subject Comments on Regulation Z; Truth in Lending [R-1417]

Date: Jul 15, 2011
Proposal: Regulation Z; Truth in Lending
Document ID: R-1417
Document Version: 1
Release Date: 04/19/2011
Name: Mary H RICHTER
Affiliation:
Category of Affiliation: Other
Address:
City:
State:
Country: UNITED STATES
Zip:
Postal Code:

Comments:
July 15, 2011 To whomever it May Concern:

The Dodd-Frank Act does not exempt property owners who wish to use seller financing (installment sale) even though no money is lent, there is no table funding, and under the Truth and Lending Act they are not considered creditors. The Dodd-Frank Act (ACT) does exempt property owners who offer seller financing from having to become Mortgage Loan Originators (MLO) provided they only sell 3 properties or less in a 12 month period and they follow the restrictions below. Yet, the Act subjects the property owner to the same liability as an MLO: Title XIV Section 1401 (2) (E) 1. The seller did not construct the home to which the financing is being applied. 2. The loan is fully amortizing (no balloon mortgages allowed). 3. The seller determines in good faith and documents the buyer has a reasonable ability to repay the loan. 4. The loan has a fixed rate or is adjustable after 5 or more years, subject to reasonable annual and lifetime caps. 5. The loan meets other criteria set by the Federal Reserve Board. Under this Act the only buyers who will be able to benefit from seller financing are the buyers who can already qualify for conventional financing with perhaps the exception of how much of a down payment they need. Seller financing has always been the alternative to government regulated financing. It is a meeting of the minds between two private individuals who negotiate an arm's length contract to purchase property using an installment sale. The following is a breakdown of these restrictions, listed in order of greatest impact on property owners, buyers and the economy: The seller determines in good faith and documents that the buyer has a reasonable ability to repay the loan. The implication is that the seller must use the ability-to-repay underwriting requirements when offering seller financing consistent with the Dodd-Frank Act which amends the Truth in Lending Act. This new, proposed rule is 169 pages long:
http:/ /snipurl.com/fedrule The Consumer Financial Protection Bureau has spent a lot of energy developing a new, easy to read, two page mortgage disclosure form. It is unreasonable to expect sellers and buyers to fully understand and apply this 169 page rule. If buyer's and seller's negotiations deviate in the least the buyer has up to three years to rescind the sale and demand back all money paid to the seller, or anyone that the seller might have assigned rights and interest to, or any bank that takes the note as a collateral assignment. This could be financially devastating to the seller. Let's not forget that today's buyer will be tomorrow's seller. These sellers are a diverse group. They come from all walks of life: low income, high income, non-English speaking, seniors, widows, minorities, but this requirement places the same standards on individuals as banks and mortgage lenders, only with more risk – the banker is in the business of mortgage loan origination and factors that

risk into his business plan, whereas the individual seller does not have capital reserves and doesn't do this as a business. Also, unlike a bank, they do not carry errors and omission insurance. Unlike banks and mortgage lenders, both the buyer and seller are consumers. They should both be equally protected. The buyer is purchasing real property and the seller is investing in/creating a financial product where they receive their equity over time. The seller is relying on the buyer to make monthly payments and maintain and protect the property. Terms are not dictated to either party, but rather they are negotiated between the parties. Requiring the buyer to turn over all their financial information to a stranger opens the door for identification theft and fraud. Furthermore, why should the buyer be required to divulge their income and assets to the very person with whom they are negotiating the terms of a sale? This is not required when there is a 3rd party lender. This also creates the opportunity for predatory borrowing. This is where an unscrupulous buyer knowledgeable about the Dodd-Frank Act leads an uninformed seller (and this will be the majority of sellers) into negotiations not in compliance with the ability-to-repay requirements. (An example of that could be a balloon, an interest rate greater than 1.49% above a standard mortgage, or the seller did not know how to calculate the income-to-debt ratio correctly, or know what residual income means). That buyer lives in the property trying to resell it for a profit and if they are not successful within three years they rescind the sale and get all their money back. The SAFE Act does not put in place the ability to repay requirements, or any other requirements, unless the individual habitually and repeatedly uses seller financing in a commercial context. It is HUD's position that Congress never intended under the SAFE Act to restrict private property owners from using seller financin, unless they did it as a primary business. The loan is fully amortizing (no balloon mortgages allowed). By not allowing seller financers to negotiate a balloon payment, there is a good chance that a seller 55 years or older will die before receiving all their equity. A lot of seniors have invested in real property with the intent of selling it using seller financing (an installment sale) in order to supplement their income in retirement, but also with the hope that they would not be stuck with a 30 year investment. The Dodd-Frank Act essentially does the same thing insurance companies do who sell 30 year annuities to seniors. Our government has criticized this deplorable practice because seniors will die before they receive all their investment. The restriction of no balloon doesn't affect just seniors, it has financial consequences for anyone using seller financing. Under the Dodd-Frank Act community banks are allowed to originate fully amortizing loans with a five year balloon. The rationale is that they hold these loans in their own portfolios and the government recognizes their need to hedge against inflation and rising interest rates. Yet, the Act does not recognize that private property owners who have 100% skin in the game need the same protection. Obviously, the Act does not recognize that a five year balloon is predatory lending. If there has to be a restriction it should at the very least be the same allowance given to community banks of a balloon in 5 years. The loan has a fixed rate or is adjustable after 5 or more years, subject to reasonable annual and lifetime caps. This restriction is reasonable, but it will eliminate the ability for any buyer to wrap an existing obligation that has an adjustable rate even if they believe they can afford any rate increase. This is again inconsistent with the SAFE Act. Moreover, if the seller does not know about the ability-to-repay requirements and that they are not able to have a balloon, they certainly will not know that you have to have a fixed interest rate for the first five years. The seller did not construct the home to which the financing is being applied. There are a lot of small builders that have a spec house or two that they can't sell unless they offer great terms using seller financing. Otherwise they have to let these properties go back to the bank, which does not help housing or the economy. There is also that group of unemployed construction workers who built their own homes when times were good and now need to sell. This takes away their ability to use seller financing. Builders are in the business of building; not of originating loans. Using a mortgage loan originator to facilitate a seller-financed transaction creates additional risk and expense for both the buyer and the seller. It has been said that a seller financing the sale of his or her own property would completely avoid the issue of licensing by retaining the services of a licensed loan originator. If a mortgage loan originator (MLO) fails to properly follow the ability-to-repay guidelines the buyer still has three years in which to rescind the sale which leaves the seller at risk and will most likely bankrupt them. Furthermore, there is no provision in a MLO's errors and omission insurance that covers seller financing. None of the continuing education classes or the exams that an MLO must complete has a single chapter or question regarding seller financing. Who is supposed to pay the MLO? MLOs can charge a flat fee or up to 3% of the transaction. The only advertisements I have seen so far advertise a flat nonrefundable fee of $450. This fee has to be paid in advance, which makes sense, because why would a MLO spend hours and hours on an installment sale transaction which might not close? If the buyer pays the fee, then this is a forced origination fee never before imposed on buyers seeking seller

financing. Why should the buyer have to pay money just to have an offer presented to the seller? A lot of buyers use seller financing because they are low income individuals, and seller financing, up to now, has provided a more affordable way to purchase property. If the seller pays the fee, they will have to pay money to have the MLO forward them the installment sale offer. If the seller receives multiple offers this could easily run into thousands of dollars in MLO fees just to sell their property. A lot of sellers are also low income individuals. The MLO will have to be a part of every offer and counteroffer because the sale and terms of an installment sale are one and the same and cannot be separated. For instance, the buyer might be willing to pay a higher interest rate if the seller is willing to come down on the price and down payment. A lot of seller financing takes place in rural areas that are underserved by mortgage lenders and banks. It is going to be very difficult to find a MLO in those areas who is also willing to take the risk facilitatina seller financed transaction. This has the potential of pushing seller financing underground – not a desirable result. The Dodd-Frank Act allows a property owner to use seller financing without having to become a mortgage loan originator as long as they don't use it more than three times in a 12 month period and comply with the above restrictions. In the SAFE Act there are no restrictions to the number of times seller financing can be used as long as you are not in the business of being a mortgage loan originator. The coauthor of the Dodd-Frank Act, Representative Barney Frank, sent a letter to HUD on July 22, 2010 urging it to place the maximum amount of seller transactions that an individual could do before becoming a MLO, or having other restrictions on them, at five in a 12 month period. I would propose that the Dodd-Frank Act adopt that same number and place no restrictions on seller financing until 5 is surpassed. The only restrictions that should apply to 5 or less are those restrictions that the states already impose either through state statute or case law. Under The Act loan officers at community banks do not have to become a Mortgage Loan Originator if they originate 5 or less transactions in a 12 month period. The rationale is that this is burdensome, costly and there is not enough volume to create a systemic risk. Ma and Pa on Main Street should be granted those same allowances. The Act puts more restrictions and risk on Ma and Pa than it does on financial institutions. In watching the debates in Congress last summer it was repeatedly said that the Wall Street Reform and Consumer Financial Protection Act would not negatively affect or over-regulate Ma and Pa on Main Street. If this doesn't negatively affect and regulate seniors, minorities, and lower income individuals on Main Street I don't know what does. These restrictions will all but do away with seller financing, which will have a negative impact on housing, existing property owners, those desiring to be property owners and the economy.
The National Real Estate Investors Association is a National Trade Association representing more than 200 local real estate investor associations, and more than 30,000 real estate investors and small business owners. For more information about the National Real Estate Investors Association, visit http://ww w. nationalreia.com.

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07/14/2011 02:14 PM

To regs.comments@frb.gov

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Subject Comments on Regulation Z; Truth in Lending [R-1417]

Date: Jul 14, 2011
Proposal: Regulation Z; Truth in Lending
Document ID: R-1417
Document Version: 1
Release Date: 04/19/2011
Name: Heather N Burch
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
Postal Code:

Comments:
This is outrageous and cannot be passed! There are so many things wrong with this proposal and it hurts much more than it helps anything or anyone - in fact it appears that nobody benefits from this in any way, it will only crash our economy further and leave the country devastated in so many more ways, this causes so much more harm! Requiring the buyer to turn over all their financial information to a stranger opens the door for identification theft and fraud. This also creates the opportunity for predatory borrowing. This is where an unscrupulous buyer knowledgeable about the Dodd-Frank Act leads an uninformed seller (and this will be the majority of sellers) into negotiations not in compliance with the ability-to-repay requirements. (An example of that could be a balloon, an interest rate greater than 1.49% above a standard mortgage, or the seller did not know how to calculate the income-to-debt ratio correctly, or know what residual income means). That buyer lives in the property trying to resell it for a profit and if they are not successful within three years they rescind the sale and get all their money back.