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Comments:

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These rules need to be amended to explicitly exclude owner and seller financing from both all requirements under this rule. That means to exclude them from both the creditor and loan originator categories. Right now, with the banks not lending hardly at all, seller financing is the only truly viable means most home buyers have of buying any home. As a former employee of a major national bank I am well aware of the games the banks are playing to present the appearance of lending while actually avoiding making all but a very few loans. They are doing this out of fear of the regulators - fear of currently suspended and recently implemented lending rules and fear of political excoriation if they don't appear to be lending. Failing to exempt seller financing will blow a huge hole in the side of this economy that is still taking on water and only now beginning to show modest signs of recovery. Imposition of these requirements on seller financing situations, regardless of whether you call the seller a creditor or a loan originator, will unquestionably kill nearly all housing sales in the entire country. Anyone who believes that the banks and mortgage brokers hold the answers to revive the moribund housing industry is blind to the realities I have already explained. The formula is very simple, as the regulations on home lending go up, the number of home loans and homes sold go down in almost logarithmic proportions. If your purpose is to kill the US economy permanently, then fire away. Otherwise, you need to ditch this dirty dog.