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Proposal: 1417 (RIN 7100-AD75) Reg Z - Mortgage Repayment Standards
Subject: Reg. Z

Comments:

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Comments:

Thank you for requesting comments on the proposed rule under Regulation Z that would require creditors to determine a consumer's ability to repay a mortgage before making the loan and would establish minimum mortgage underwriting standards. This proposal would apply to all consumer mortgages. I am concerned this will eliminate the seller financing option for several reasons. It will be difficult if not impossible for the average homeowner to comply with Regulation Z, and prospective buyers will not want to provide detailed financial and income information to the homeowner/seller. My wife and I have purchased 4 homes over the last 30 years. Each time we sold one home and purchased a new home we provided income and financial information to the bank or credit union to show ability to pay and we were comfortable doing that. In at least one case we provided tax returns to the bank for the previous 3 years. We would not be comfortable providing this information to a homeowner. While we have not used the seller financing option some friends have and homeowners should still have the option to sell thier home to another person without bank financing. The mortgage crisis this Regulation is attempting to address was not caused by seller financed loans. The regulation should not apply to ALL consumer mortgages. This regulations shoud apply only to mortgages made by banks, credit unions, mortgage companies and other financial institutions who engage in a large volume of mortgages. Regulate the institutional lenders not transactions between two individuals. Otherwise this will have a negative impact on the housing industry as one of the financing options is pulled off the table. SIncerely, Peter Schimpf