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Subject: Reg. Z

Comments:

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Comments:

I am a full time licensed mortgage originator, so I regularly deal with people who want to buy homes. It concerns me that the Federal government is looking to eliminate purchase money mortgages at a time where the economy is so weak. I am seeing more and more people in the market today that are unable to qualify for a conventional mortgage PURELY due to credit score, and when you look at their credit history, it is due to an extenuating circumstance; perhaps one spouse lost their job, or a recent divorce, so in the short term, their FICO has plummeted, but it totally goes against their entire history, and when you take that into consideration, they are good credit risks, but they are unable to qualify for a conventional mortgage. Because of my contacts in the investment community, I am often able to find these people a home because of sellers that are willing to offer financing (i.e., purchase money mortgages). If the government truly does care about homeownership as they claim to do, then they are preventing a significant amount of the home-buying population (and an INCREASING percentage of the home-buying population as well), from buying a home if they do not allow purchase money mortgages to continue. Furthermore, allowing purchase money mortgages will allow upside down sellers to sell WITHOUT having to go through a short sale or worse, going in to foreclosure. Also, the 3 year right of rescission will open the door for predatory BORROWING, allowing unscrupulous borrowers to buy a property and try to sell for a profit, and if they can't, they'll just go and rescind the loan and get their money back. I feel this measure is hugely irresponsible and does not take into consideration how negatively it will impact the incredibly weak economy and incredibly weak housing market. Despite the media claims to the contrary, I am in the housing market and deal with it on a day to day basis, so I see the truth first hand. This proposed act will do nothing but harm the housing market for both buyers and sellers.