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Comments:

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Comments:

Our nation continues in an economic crisis brought on by and sustained by significant drop in housing sales and a high rate of defaults/foreclosures. The proposed rules make a major contribution to extending this crisis well into the future without adding any measureable amount of protection for consumers. In recent months 34% of all housing sales have been to investors. The vast majority of these investors are individuals and small businesses in every community in the nation that have raised the capital, taken the risk to buy, upgrade and repair houses and then take their chances to sell them on the open market. If this rule has the effect of eliminating the possibility of individual seller financing of home sales, a major part of this business will be wiped out by Federal Reserve pen strokes. Private, individual investors rely on seller financing to both acquire and to sell houses. Removing this tool from them is counterproductive to the nation, the economy and private enterprise. Lending and underwriting rules have been strengthened significantly already, before and without imposition of the proposed regulations. Since 2007, loan-to-value ratios have increased from 100-125% to 80%. Debt-to-income ratios have gone to 33-38%, from 38-45%. Minimum FICO score for a prime mortgage has risen from 620 to 680. Documentation has increased from one year to two years' of W-2s, plus 12 months of reserve funds. Throughout the history of our nation seller financing has been an 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 proposed regulations subject the seller to professional mortgage lender restrictions and allows a THREE-YEAR rescission period. No private, individual seller would knowingly or willingly take on these restraints. The result will be sellers who cannot sell and buyers who cannot buy.

And the country continues in its historic recession/near depression. In the strongest terms possible I urge the Federal Reserve to reconsider and rewrite these regulations to ensure private, individual seller and investors are not severely penalized for doing what they have done to the benefit of the country for generations.