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Comments:

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Comments:

I'm a small landlord who will be harmed financially by the application of this rule to owner-financed single-family and small multi-family transactions. In the past, I have both purchased using owner financing and sold using owner financing and in two of those transactions the seller offered a balloon payment because they were approaching retirement age. The owners benefitted from interest payments above what they could earn elsewhere and the security of the lien against the property. I was able to purchase both properties with 5% down -- loans that would not be available in the current market given qualified residential mortgage requirements and the current underwriting requirements from both the GSEs and private lenders. In one case, the sellers asked me to refinance so they could access their equity, which I did. In the other, a balloon came due, but in the current market, it's next to impossible for small real estate investors to access financing, so the seller agreed to continue the loan at the current rate. In this market, the GSEs and private lenders have placed restrictions that severely restrict the number of outstanding mortgages an investor may have. Once you've purchased five properties, you cannot find financing in the current market -- even with A+ credit and a track record of 20 years with no 30-day late payments on multiple mortgages. This regulation will intensify the lack of available credit for small investors since it could well close off one of the few sources of mortgage financing -- the owners selling the property. The ability to sell my properties in retirement via owner-finance is a significant component of my retirement plan and one I suspect is shared by many of my fellow investors. This rule will limit my ability to do this. It's an unreasonable cost and time burden to ask small investors to comply with regulations that have challenged professional mortgage bankers. The Fed could both protect consumers from unscrupulous predatory lenders and protect this valuable retirement resource for small investors by creating an exemption from the rule for owner financing deals where the seller has owned the property for a certain length of time -- perhaps three or even five years prior to the sale. The hard money lenders whose behavior inspires a need for further regulation rarely lend on their own properties and when they do, it's for a property they've recently acquired. Thanks very much for considering my opinion.