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Comments:

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Comments:

As a mortgage professional with 20 years experience and a vice president of a successful, conservative savings and loan I am very disturbed by the effect the Frank Dodd Act has had on the real estate market. So many of the provisions that are restricting the above average, strong homebuyers from purchasing a home are having a major detrimental effect on the housing market. No amount of "stimulus" and artificially induced low interest rates will help our economy recover if reasonable underwriting and easy to understand lending is not available to the people seeking to purchase homes. Our housing market is already devastated by the distressed sales, and the restrictive provisions of the Dodd Frank Act are strangling the few borrowers who venture forth. It has just been brought to my attention that there is yet another ludicrous provision of the Dodd Frank Act to kill the housing market. The sections I refer to are the restrictions concerning "seller financing". Why should the government have any authority to restrict the ability of a seller to use their own equity to finance a property? The only one at risk in this situation is the seller and those decisions should be the exclusive prerogative of the seller. The terms negotiated in these deals are often written to be fair and equitable to both parties. If the seller needs the bulk of the funds within a limited time frame (usually 2-5 years), the provision of a balloon payment is their only option. Many buyers are newly self-employed, recovering from a period of unemployment, or reestablishing their credit for other reasons and should be allowed this option to be able to purchase a home. Removing seller financing from the market, which all of these provisions effectively do, puts another incredible strain on the housing market and the ability of buyers to purchase and rehabilitate properties. This is especially important as real estate investors seek to rehab distressed properties and reestablish some of the more depressed markets throughout the country. These provisions restrict many of the truly good efforts being made to rebuild our neighborhoods and communities. Do we truly want to see 20% of the homes in the US fall into disrepair and neglect? In the history of home financing we have lost track of the one real truth: The party originally lending the money should be the one taking the risk in the transaction. Losing sight of that one simple truth was the root cause of the "mortgage crisis". Never is there a more true example of the "lender" in a transaction assuming the risk than in the case of seller financing. I would support any reform that dictated all brokers, corespondents, banks, and any lender to have to take risk for the first 12 months of a mortgage. This one factor would lead us back to prudent,

reasonable lending without the layers of bureaucracy. My first underwriter taught me one truth in making a loan, "Will they be able and are they willing to repay the loan?". What a novel concept!