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Comments:

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Comments:

I am commenting specifically on the inclusion of seller financed real estate transactions within these proposed rules. It is my understanding that the position of the government agencies is that owners of real property who want to seller finance all or a portion of the purchase price for their property are subject to these rules. I have been a real estate attorney for over 30 years. I have been personally involved either as a principal or an attorney in hundreds of seller financed real estate transactions. I am also a real estate educator and I have personally instructed over 10,000 real estate investors and agents over the past five years in aspects of real estate financing and specifically including the use of seller financing. Seller financing is an important part of the real estate market and has never been more important than it is today. Application of these proposed rules to seller financed transactions will destroy seller financing as an alternative option for countless numbers of both buyers and sellers. Over 90% of seller financed real estate transactions today are from an individual consumer to another individual consumer. Banks and lending institutions have entire departments and staffs of attorneys to ensure compliance with rules like these. To expect an individual one time seller to be familiar with and to be able to comply with these proposed rules is ludicrous. If these rules are adopted without excluding seller financed transactions, most real estate agents and attorneys representing sellers will have to advise their not to offer seller financing to potential buyers because of the devastating financial consequences sellers risk for even inadvertent mistakes. This would be a tragic result in today's market. Sellers are facing increased competition to find a traditionally qualified buyer from an ever shrinking pool. Short of drastically reducing their selling prices and further harming the market, the seller financing alternative allows sellers to expand the number of potential buyers for their properties. On the other side of the transaction, potential buyers are being kept out of the market because of tightening credit standards and larger down payment requirements. There are large numbers of credit impaired, but otherwise qualified buyers (those with only a short sale or foreclosure on their credit who still have good income) who want to buy a home but can't qualify for conventional financing. The seller financing solution for these buyers will disappear with the adoption of these rules. In most of these transactions, sellers are really consumers also, but in the zeal to provide more "protection" to the consumer buyer, the seller's interests and fundamental rights have been forgotten. This is despite the fact that seller financed transactions were not

a cause of the recent housing crises and have not been alleged to have been a problem either before the crisis or since then. If seller financed transactions defaulted and foreclosure was necessary, there has never been any allegation of irregularities in the foreclosure process by foreclosing sellers. Yet sellers are being treated no differently than those entities that got us into this situation. At the very least, any regulation of seller financed transactions and how many transactions a seller is permitted to complete each year should be left to the individual states to govern as they have for decades. This one shoe fits all solution by the federal government will cause far more harm to the real estate market, sellers and buyers than any potential benefits that might be realized. A fundamental right of United States citizens is their property rights. Citizens should have the right to sell their property to whom they want and upon what terms they want. After all, it is their property, not the governments. Similarly, a person wanting to buy a property should have the right to freely negotiate to purchase that property without being required to disclose all of their financial information to the party with whom they are negotiating. This will be the effect of the rules on the buyer, as the seller will be required to review the buyer's personal financial information before making a decision to sell the property to them. There are so many other reasons why not exempting seller financing from these rules is tremendous mistake. I have seen dozens of other valid objections in the comments already submitted. I urge that those individuals reviewing the comments to pause for a moment and using their common sense reflect upon how unfair and potentially disastrous it is to expect sellers to be able to understand and comply with these rules and how including seller financing within them will further undermine the fragile housing market.