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Comments:

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I feel that there will be negative and unintended consequences to consumers and the real estate market overall should owner financed transactions be included in and governed by all the regulatory mandates coming forth in response to the commercial lending crisis. Owner financing is filling a great void in the marketplace. Owner terms are often the only way for many to have a chance at home ownership for their families. These are people who would never qualify for conventional financing, but have the ability to pay, and a strong desire to own. Contrary to institutions who regularly sell off portfolios of loans, and are not directly impacted by the performance of the notes, sellers/investors who carry paper (offer terms) for a buyer are VERY interested in creating a situation that will give the highest statistical likelihood of success, because it represents their retirement income, their profit, money in their pocket. Government regulation of the private sector is an over-reach of power that will harm both buyers and sellers. I would please ask that you consider the following: Exempt all owner financing from the regulations intended to reign in commercial lending operations. Let the free market govern itself. It is usually one person dealing with another, in a partnership where it only works for one when it works for all. If not full exemption, please allow at least 5-10 owner financed transactions a year before considering someone to be offering terms in a "commercial context". Exclude seller financed transactions from the Ability To Pay requirements described in the new TILA amendments. We need a flexible set of underwriting standards, custom tailored to the individual needs and circumstances of both buyers and sellers. Seller financing is providing liquidity that would otherwise be unavailable. Without owner financing, owner occupants will increasingly be left out of the home ownership loop, which will have spiraling effects on the economy at large. Only investors will be able to consummate transactions. Allow for a 5-year balloon, to increase and protect the income of persons who are usually older, and will not live to enjoy a 30-year stream of payments. Also, a long amortization does not protect note holders against inflation, and the ability to renegotiate interest rates to preserve the value of their paper asset, whether they hold it or sell it. This will impact retirement income, quality of life, and the ability to liquidate the note for cash for a fair price in the secondary market. Preserving and protecting private property rights, and the ability for persons to freely negotiate with each other, is very important for any sort of recovery in real estate. There is a lot of inventory to absorb. Investors who are able to buy for cash and then offer terms to end users are

and will play an increasingly important role in providing the dream of ownership to Americans. Over-regulating will hurt the people you are trying to protect. Please exempt seller-financed transactions from all the sweeping regulatory changes that are in place, and are now being considered. Thank you,  
Dawn