

From: Donna Pribe
Subject: Reg. Z

Comments:

Date: Apr 19, 2011

Proposal: Regulation Z; Truth in Lending
Document ID: R-1417
Document Version: 1
Release Date: 04/19/2011
Name: Donna Pribe
Affiliation:
Category of Affiliation: Other
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

Go back to strict underwriting standards when 20% down was required, the borrower had to have skin in the game, and the borrower had to demonstrate an ability to repay. We lived under this system for several years, people had a mindset to eventually pay off their house. This system worked. We lost our way and everyone got greedy in the past several years. Look at your local county records in any random neighborhood--see if you can find anyone that has 10% equity in their house. If they bought their house in the early nineties, they started out that way, then refinanced several times, used their house as a piggy bank, aided by the banks, and burdened themselves with debt so now there is very little equity. Don't ever reintroduce the \$8000 home buyer credit which distorted prices and enabled some rural buyers to buy a house with zero down. Was the \$8000 used to increase equity in the house--no, of course not. It enabled the buying of "stuff". Are the borrowers underwater?--yes, but as long as they remain employed and can make payments, that doesn't matter. But they will never be able to move for several years. We must control credit, even if it makes U.S. economic indicators look bad.