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Subject: Reg. Z

Comments:

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Proposal: Regulation Z; Truth in Lending
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Comments:

MAKE ALL LENDING RULES UNIFORM. ALLOW FOR EXCEPTION PROCESSING AND THOSE "EXCEPTION" LOANS SHOULD BE HELD AND AGED BY THE ORIGINATING INSTITUTION FOR ONE YEAR BEFORE BEING SOLD ON THE SECONDARY MARKET. When the time period lengthens, an originator must hold that 'Hot Potatoe' for a longer time to cool before putting it in the pool of loans that is sold off. Ultimately the loan originator is then more at risk and accountable! All home lending, including HELOC's and underserved areas should operate on the same guidelines. It is the HELOC's and ARM's with a 'Pick a Pay' option along with lax underwriting standards where lenders believed that a default rate of less than a few percent 'left money on the table' that enabled the aggressive lending tactics. Of course stupid is as stupid does. No one explained to borrowers and of course consumers just wanted the money to appear to make a minimum downpayment got us all into this mess. Starting from the CEO's of lending institutions to borrowers who wanted 'in on the action' and many layers in between are responsible. My input is simple. Lending guidelines for First Trust Deeds, Second Trust Deeds and HELOCs should be the same. If they are inconsistent, then Second and Third Position liens can cause the same foreclosure as non payment of the first. I manage and facilitate many short sales and have seen many things in my short 15 year career as a real estate agent. We live in a land of unimagined possibilities and when greed takes advantage of ignorance all hell breaks loose as we saw and a financial tsunami swept our shores from coast to coast all the way to the heart of America. MAKE ALL LENDING RULES UNIFORM. ALLOW FOR EXCEPTION PROCESSING AND THOSE LOANS SHOULD BE HELD AND AGED BY THE ORIGINATING INSTITUTION FOR ONE YEAR, BEFORE BEING SOLD ON THE SECONDARY MARKET. That lengthens the time an originator is at risk and accountable!