

From: Marc Hal
Proposal: 1417 (RIN 7100-AD75) Reg Z - Mortgage Repayment Standards
Subject: Reg. Z

Comments:

Date: Jul 15, 2011

Proposal: Regulation Z; Truth in Lending
Document ID: R-1417
Document Version: 1
Release Date: 04/19/2011
Name: Marc Hal

Comments:

Seller financing is crucial for a small but still very significant portion of the population who have the income and often the down payment to buy a house, but their credit record is in recovery mode and they need 1-2 years for improvement to qualify for a regular mortgage. Specifically, about 11% of the population has a credit score of 550-620 and those are exactly the people who are best suited to take advantage of seller financing and be able to successfully qualify for a "regular" mortgage within 1-2 years. The financing can be a seller-financed mortgage, a land installment contract or a lease-option. Seller financing is often an important bridge loan that helps both sellers in a buyer's market and "wannabe" buyers who have been shut out of being able to buy their own home when prices are low, as they are now. The US economy depends so much on the housing market that anything we can do to encourage home sales, including RESPONSIBLE seller financing, SHOULD BE DONE!

People own

automobiles and use them to get to work and keep the economy moving. Automobiles also kill 10,000's per year. Should we ban automobiles and eliminate them from society? Of course not. We allow people to own and operate automobiles as long as they do so responsibly. We should not eliminate seller financing because it brings great benefit to the economy in an area that is now suffering. This is reality, not theory or hyperbole. Cars KILL people and are allowed, if used responsibly. Guns KILL people and are allowed, if used responsibly. Cigarettes KILL people and are allowed, even though it is always irresponsible. Alcohol KILLS people and is allowed, if used responsibly. Swimming pools KILL little children and are allowed, if used responsibly. In contrast, seller financing HELPS people and should continue to be allowed when used responsibly. Responsible seller financing does NOT mean holding sellers to a standard higher than banks. The fact is that most seller financing works and works

well. Don't punish buyers and sellers alike because a tiny minority of buyers experience trouble. If you want to deepen the problems in the strained housing market, then sure, take away one of the safety valves, which is seller financing. If you are a RESPONSIBLE legislator who strives to serve public interest, you must allow seller financing to play an important role in helping relieve the stress in the all-to-crucial housing market.