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

Comments:

Date: Jul 16, 2011

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

The proposed Regulation Z rule regarding balloon payments and qualifications of buyers appears to be aimed at predatory lending practices. However, this proposal as written is constitutionally overbroad to the extent it includes regulation of private loans and seller financing. The government has already failed to provide adequate financing for consumers by handing over billions of dollars to institutional lenders without requiring that they lend these taxpayer funded handouts to the public. Instead, the banks which caused the problem have been allowed to hoard these funds and/or invest them in everything BUT consumer loans. Consequently, millions of homes have been foreclosed and real estate markets have been artificially depressed due to a lack of institutional financing for qualified borrowers. Millions of sellers, who would otherwise be facing foreclosure or simply unable to sell, have been able to offer seller-financing as an alternative. Additionally, private investor funded

loans have also served to fill this government-created gap. The government has no business regulating private loans and seller-financing. Private parties should be free to contract without government intervention. This proposed rule will inhibit (if not eliminate) private financing and seller-financed loans, further depressing an already distressed real estate market and retarding overall economic recovery. I urge you to exempt private party loans and seller-financing on real property from this rule.