

From: CT Real Estate Investors Association, Peter L Damato  
Proposal: 1417 (RIN 7100-AD75) Reg Z - Mortgage Repayment Standards  
Subject: Reg. Z

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Comments:

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Comments:

This proposal must also exclude "seller financing" from these requirements by, for example, specifically exempting private residential sellers that act as "creditors", or by classifying seller-held "balloon" notes as "temporary loans", or by some other means. Sellers are far less able to act as unscrupulous or predatory 3rd party lenders as they typically only have one property asset to work with. Timeshare creditors (who would already be exempted) can be far more predatory than a homeowner or small, local real estate development company or investor. Seller financing is very similar to a reverse mortgage, which would also already be exempted. Requiring the buyer to fully disclose assets and other personal information to an unregulated, unlicensed seller that he/she is negotiating the purchase with is both an unfair trade practice and unsafe as it would enable identity theft. Seller financing benefits millions of sellers and low-income borrowers alike, and in no way has played any part in the mortgage financing fiasco this otherwise well-intentioned proposal seeks to address.