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Comments:

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Comments:

Your proposals regarding regulation Z would essentially kill real estate. The proposal blatantly kills owner financing hence forcing all mortgage loans through member banks of the Federal Reserve. The proposals are clearly flawed and rigged for member banks. Banks are NOT lending. Sellers are having a difficult time GIVING their property away in this terrible economy which was CREATED by the FEDERAL RESERVE and easy money mortgage policies forced on banks by the United States Congress in an effort to allow everyone to buy a home, most especially minorities, whether they were qualified financially or not. Owner finance mortgages have NEVER been the problem, bank mortgages were and are the problem. First banks made loans they should not have made with ridiculous easy money loans such as 125% loan to value non-recourse loans in California. Now banks won't lend to an A++++ borrower without tons of collateral. Federal meddling in the real estate business has already created absolute uncertainty in this business. Businesses with uncertainty fail, plain and simple. How can you honestly propose no balloon payments for owner financed mortgages when you allow 5 year balloon payments for community banks? Do private sellers not undertake the same interest rate risk as does a community bank? What's worse the seller has more risk than the community bank and you want to further penalize the seller, making his investment even more risky. Changing these rules is extremely prejudiced against seniors, especially those who have made real estate investments with the intention of selling via owner financing to create a long term cash flow for themselves in their retirement years. Your proposal to allow a buyer to back out within 3 years and get all their money back is completely asinine and promotes predatory borrowing. Borrowers can easily take advantage of seller and literally bankrupt the seller through their irresponsible behavior. For any business to function, all sides must take their share of the risk. What you are proposing is to take away all risk from buyers and put it all on the seller. You completely disregard the point that buyers absolutely do NOT HAVE to buy. Buyers buy SOLELY on their own free will. No seller can force a buyer to buy. Why should a buyer be given supra-special privileges to revoke a loan simply because they choose to do so? What happened to freedom in this country where each party made their own choices in an agreement and was expected to abide by those decisions? Your interest rate restriction is further ludicrous. The Federal Reserve manufactures money out of thin air and lends to its member banks nearly interest free. Sellers live in the real world and have a real cost of doing business. Inflation rates published by the government have been a con job for

decades with the government changing the standards as needed to keep the numbers low. Hedonic pricing models are nothing but a farce. Trying to regulate how a person sells their own private property, if not unconstitutional, it should be. Your proposal puts an onus on a seller to qualify a buyer when most owner-finance sellers are completely unqualified to do so. They know what they need to make and offer their terms to buyers. If a buyer agrees to the terms, he/she has voluntarily taken on the risk of future payment. Frankly the track record of professional lenders qualifying buyers for mortgages is ABSOLUTELY HORRIBLE. Have you not seen the millions and millions and millions of foreclosures in this country and the vast majority are from bank originated mortgages? Your proposal puts a bigger onus on sellers when the track record of professionals is pathetic. Banks are further distorting the market by refusing to foreclose on properties that have been delinquent for years as the bank does not want to pay the real estate taxes and home owners dues that would be owed if they foreclose and become the owner rather than the lender. This has created a HUMONGOUS shadow inventory of millions of homes which WILL eventually hit the real estate market causing even further damage. The banks are not foreclosing also because the losses will kill their reserve ratios and it would literally force hundreds of banks into bankruptcy. This proposal is not only ridiculous, it is criminal. Not one single part of the proposal has any merit.