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

Comments:

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Comments:

Please Exempt Private Seller Financing from this law. Please give an additional 30 days for comments and reviews of Regulation Z. The issue of private seller financing in the sale of property is more than 300 years old in this great country and should not be molested or have new regulations piled on top of them. I have been involved in seller financing all the way back when the banks were charging 21% and I was offering homeowners 8% loans. I believe it would be an unconscionable and unconstitutional act to regulate homeowners from offering seller financing of their homes. To think homeowners that offer seller financing would not properly qualify a potential buyer to their needs is a thought completely out of touch with reality. Homeowners that offer seller financing are generally at 100% risk unlike the banks that are crying foul that may have to be on the hook in the future of 5% risk.. are you kidding? To group seller financing with banks that have little or no risk is like legislating all government officials to speak at all times under oath as if they are in a court of law and potentially will be charged with perjury. 60% of all current home sales today are by investors. Of those 60%, a large portion of these homes are being offered to the new disenfranchised homebuyer with seller financing. Owner financing has never been a part of the securitization mess the banks and Wall Street have created. This regulation will devastate the seniors that have been spending years paying their mortgages of their rentals now converting them to seller financing when they no longer can plunge toilets and rehab the houses. The data you require a homeowner offering seller finance is not readily available without putting up a bond and having a Corporation that will be required to be investigated to see if you're worthy of possessing this information. In a state like Illinois we will be required to pay a licensed private investigator or work under and attorney's law firm to have normal access to this data. Again are you kidding? The laws in Illinois have been harsh and shortsighted blocking investors and entrepreneurs helping in the real estate recovery to the point Illinois have the distinction of holding the largest and longest real estate inventory in the country. Just a few weeks ago the banks that foreclosed and kicked out 1900 homeowners have now decided to abandon the properties and burden the city and state with their cleanup expense. Please exempt seller financing from this regulation. I believe lending institutions should have a 10% interest (skin) in every loan and require 10% down for 70+ percent of all mortgages written. Banks should be required to escrow for non-performing mortgages as previously required. This combination creates natural stability, the ability to help lower income

individuals, adds safety to the lending institutions and prevents housing bubbles by limiting excess funds availability. Institutions that are not currently at a 10% interest should be barred from any additional lending until they've increase deposits. This gives a two fold benefit, first lowering the risk and eliminating the too big to fail type institutions and giving the smaller banks who were not involved in this banking mess a fair chance to grow. Second this puts the responsibility back on the banks that caused the problem in the first place, that caused the trillions in equity rise and evaporation without responsibility. Again Exempt Private Seller Financing from this law.