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

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Proposal Z: Truth in Lending Act should not be applied to individual citizen, investors, or those who are loaning or borrowing private funds. This proposal should only affect funds of banks, corporations, and other financial institutions that receive or benefit from the proceeds of federal funds that are loaned, provided a loan guarantee, or are provided as subsidized funds for down payments or repair. Currently, the housing market is in a crisis that has never been experienced in the history of this country. The housing bubble and the extensive losses in the value of homes and other properties was not the result of individuals providing owner financing to those who could not get credit or preferred alternate financing that did not involve banks or other financial institutions. Most banks, financial institutions, and other large corporations received billions of dollars of tax payer monies to offset losses in the housing market and elsewhere. Most of these funds were used to pay bonuses to company executives, fund mergers, or is currently just sitting in an account doing nothing to get the economy running. Currently less than 1% of homes are financed through owner financing. This type of financing allows for borrowers who have credit issues, do not want to reveal personal and financial information, or are just having a hard time to purchase a home. For many of these people the purchase of a home provides them with independence, a lower monthly debit on their budget, an opportunity to own their own property, and a tax deduction at the end of the year. Proposal Z, would prevent or discourage individuals, investors, seniors, and others from buying and selling properties due to the restrictive nature and potential penalties provided by the proposal. This proposal would further undermine the weak housing market and extend to the overall economy further damaging any chance of recovery. The individual citizen, investor or senior in need of a passive income should not be burdened with proposal Z. It was not the individual owner/financer of a home that caused the melt down. The individual seller/financer did not receive bailout funds from the government/taxpayer. In most cases, individual owners and borrowers have been able to talk with each other and have the ability to modify terms and allow for temporary changes to terms of financing that is agreeable to both parties. This does not happen with the banks as they have no need to negotiate any form of modifications. The individual citizen, owner/financer does not have a team of high paid lobbyists creating loopholes in the laws or requesting bailout funds. Proposal Z will give greater control of who owns property, and who can sell property in this country to banks, financial institutions, and credit scoring agencies.

This type of action strikes at the very heart of all American principles. If the purpose of Proposal Z is to protect the American Consumer then it is a good idea if and only if it is applied to banks, corporations, any lenders that receive federal funds or guarantees of federal funds or loans. Individuals that prefer, for their own reasons, to seek out owner financing should be advised to seek out the advice of a real estate attorney prior to signing any documents. This would be easier, cheaper, and more practice while providing additional employment opportunities for attorneys. Interest rates and terms for owner financing should be left for the individual states to determine. The requirement to force individuals to follow standard for large financial establishments would undermine the economy, states rights, individual rights and place a huge burden on the poor and middle class.