

From: Equivest Realty Advisors, Inc., Kenneth J Gain
Proposal: 1417 (RIN 7100-AD75) Reg Z - Mortgage Repayment Standards
Subject: Reg. Z

Comments:

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Comments:

I am writing to strongly urge you to delete any reference to Seller Financing in your proposed rule! The current housing crisis was created by banks and mortgage brokers making bad loans to unqualified borrowers, not by private transactions between Buyers and Sellers. During the Mortgage Mania, Seller Financing constituted only about 3% of total real estate transactions because banks and mortgage companies were willing to make loans to anyone with a pulse. But during my long real estate career in Alaska, there have been times when over 60% of all transactions involved Seller Financing. Even now, in rural areas, where banks don't do much business and where properties don't meet bank standards, the majority of transactions involve Seller Financing. I understand the need to provide consumer protection from banks and mortgage brokers, but there is no need to protect Bob & Betty Buyer from Sam & Sally Seller, or vice versa. Sellers and Buyers engaging in private real estate transactions haven't been a problem and don't need regulation. Regulating Seller Financing, which is now the only possible way of making some real estate transactions, will only make the real estate crisis worse than it already is! I would also point out that most Seller Financed transactions involve only intra-state transactions and therefore any attempt to regulate such transactions is of doubtful Constitutional authority. As my grandfather used to say, "If it ain't broke, don't fix it!" Regulation of Seller Financing is merely a "Solution in Search of a Problem" and will drive real estate prices, particularly in rural areas, even lower! Again, I strongly urge you to delete all reference to Seller Financing to your proposed rule.