From: Joe B Maximillion

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

Subject: Reg. Z

Comments:

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Name: Joe B Maximillion

Comments:
proposed rule under Regulation Z One main thing that is different than a bank loan is that the seller financed home is essentially lending the actual home every month to the buyer. It is much more akin to a standard lease arrangement, as they are not transferring hundreds of thousands of dollars to a third party seller. Thus, if the issue is trying to protect against defaults etc. as what a bank would worry about, the exposures are completely different. The seller is not transferring cash per se, but only a home each month in exchange for a much smaller amount of funds. To burden a homeowner this way is unfair and unproductive. (Let alone I can think of 5 methods this very moment that I would teach to accomplish the very same owner financing method well within current IRS and Federal laws which are not changing and avoid this burdensome regulation.) Better not to even enact this type of rule on anyone not lending actual cash funds. (For instance, a homeowner who has a defaulting buyer can't write off the bad debt as it is not in actual money lost. That shows that their burden, even according to IRS regs is not the same as if their were cash funds transferred at a settlement to a third party that is actually at risk to the bank). This regulation is catching Dolphins in a Tuna net. That is an unintended consequence we don't need.