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

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Comments:

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Regulation Z; Truth in Lending [R-1417] Comments on the above proposed regulation Here are several reasons why the subject proposal should not be implemented: Banks are unwilling to make mortgage loans under \$25,000. Their fees are too small to be profitable on these small loans. There are many towns in America where perfectly acceptable individual family homes exist, which are suitable for retirees and small families. I know because my parents lived in such homes in Roswell, NM. and other cities. I have also owned such homes. Without owner financing, these homes become un-saleable and are removed from the marketplace of available housing.. You might as well burn them. People who take older homes, which are in bad repair, and bring them up to good standards, thereby returning housing to the marketplace, depend on owner financing to acquire those properties. Banks won't generally lend on those un-rehabbed properties. These are but two of many examples demonstrating the fact that banks can't or won't always meet the needs of the marketplace but owner financing can. Owner financing has never been considered a lending activity by most states or other authorities. It is simply the transfer of private property with deferred payment for that property. Most importantly, you are crippling the wrong people in an effort to solve a problem for which they are not responsible. This proposal does not provide the real solution. Let me explain further. The private, owner financing marketplace has existed for over 60 years that I am personally familiar with. There was never an issue until these instruments began to be securitized and sold to the public by Wall Street firms. It was the practices used in that process which caused the downfall. When a portfolio was established, it was common practice to throw a few bad ones into the portfolio just to get rid of them. Who would ever notice with the poor, undocumented approaches used by the portfolio securitizers? When that worked, well, throw in even more and don't worry about the documentation. History has shown this to be true. It was these reckless, greedy, easy approaches that wrecked the whole process. I can cite so much more but will simply now ask you to not implement the proposed regulatory changes. Do not damage innocent people when the solution lies elsewhere. Respectfully submitted, Delbert M. Ashby