

From: Joe McGuire
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Name: Joe McGuire

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Although difficult in Washington to separate politics from policy, the rule of unintended consequences needs to be remembered. While the proposed regulation's intent may be worthy, by including seller financing the regulation is flawed and its impact will be very detrimental. The housing balloon and subsequent financial collapse was not caused by seller financing, nor will eliminating seller financing fix the problem. A seller who sells providing the financing does not want the property back. They are looking for a reliable stream of income, not smashed walls and ripped plumbing. This seller and buyer come to an agreement of price and terms that the buyer is willing and capable of meeting. A buyer's housing capacity is more encompassing than the limited rules allowed by bank and financial regulators, ie family arrangements, liquidations, part time income, future settlements etc. The point is flexible financing exists for a reason. Seller financing provides housing for many, many people who are declined under institutional regulated criteria. Also, let's not forget the "predatory borrower" who negotiates in bad faith, leading an unsophisticated private seller into a violation; waiting for 3 years minus 1 day to spring his recession trap. The proposal that a seller merely need use the services of a MLO is simply naively unrealistic. No MLO will take the risk, nor will his EÖinsurer. That is unless the loan is written to bank & institutional standards, defeating the very point of seller flexible financing. Many of the comments regarding difficulty, ambiguity and uncertainty pertain to impact on financial institution. All the more so for ordinary people selling their property.