

From: R Daniels  
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Comments:

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To the Members of the Consumer Financial Protection Bureau: I respectfully request the Consumer Financial Protection Bureau exempt private homeowners and landlords from the lending rules outlined in the Dodd-Frank amendment to the Truth in Lending Act. The guidelines for individuals providing seller financing should not be the same as what big banks are required to adhere to in determining how and when they lend money. Seller held financing is not a loan. No money is being lent. It is merely an avenue for the sale of a home involving payment over time upon terms mutually agreeable to both the buyer and seller. In many situations today seller financing is the only way a house can be sold. (A few examples: self employed buyers who cannot get loans with banks today, houses that need too many repairs and the banks will not lend on them, buyers with bad credit due to divorce or a previous job loss but who currently have great income and ability to pay.) I have personally been involved with this issue from two perspectives. One, I have been buying and renting out properties for 13 years with the intent one day of selling them with seller financing to receive interest income which can supplement my future social security income. I know many other people in this same situation. Putting limits on how many homes I can sell or if I can even sell with seller financing will be a great burden to me at an age when I won't be able to handle the daily responsibilities of property management any more. Two, last year I assisted my mother-in-law in the sale of her own home after she was widowed. Because of the updating and renovations required, she had a hard time finding a buyer who could get a bank loan. She ended up selling to someone with seller held financing. If rules are in place that would prohibit her or people like her from selling their homes in this manner, I feel very strongly that this would have a negative impact on the housing market and on the livelihood of our senior citizens. They could also be victims of Predatory Buyers who know how to "work the system" created by Dodd-Frank and can easily take advantage of elderly homesellers by rescinding the sale and stealing back all the money they paid for their housing for the previous 3 years, leaving the seller with a possibly damaged home to repair, and a loss of three years of income during their last years of life. For these reasons I ask that you please enact regulations that keep seller financing rules separate from those of the big banks. At a minimum please make sure the option is available for sellers to create a 5 year balloon payment in the note(as is the case with small banks) and, if a limit is necessary, have that be 5 houses or more per year that one owner can sell with seller financing without having to obtain a Mortgage Originator's License.

