



Call to Action - Important Bills affecting Landlords

Massachusetts Bills:

(Read below to see bills in Congress and the Senate!)

Call or email your Representatives and Senators!

Let them know that:

The following bills will hurt landlords:

SB2274 - the "Domestic Violence Bill". This bill violates landlord's rights and the rights to other tenants to enjoy their apartments. It makes it discriminatory to evict "Victims of Domestic Abuse" even when they are noisy and so we might lose good tenants while we are stuck with the constantly fighting and noisy tenants. Tenants have 6 months to exercise their new status with the current landlord and no time limitations to new landlords, tenants' attorneys can certify who is a "victim of domestic abuse" and tenants don't even have to agree to kick out the abuser!

SB1813 - The landlord might be forced to tell to all other tenants when he is cited by Health Board for one unit.

HB1425 - Further narrows our choices for movers and storage companies by substituting "warehouser or other storage facility" with "public warehousers licensed and bonded".

HB3522 - We must register "buildings not occupied for 3 months or with signs of physical distress" by paying \$100. Failure to "maintain the property" is \$500/day.

The following bills will help landlords:

HB1744 - The Rent Escrow Bill- Makes the tenant put their rent in an escrow account before they can withhold rent because of code violations or sue a landlord. It's been over 10 years that we've been trying to get something like this.

HB1654 - The Lead Paint Bill - Removes strict liability for lead poisoning. Acknowledges other sources of lead such as - toys, jewelry, and pottery

To read more about these bills, go to www.massrha.com.

Find out who your Representatives and Senators are www.mass.gov and click on "legislators" on your left, or www.wheredoivotema.com and enter your street address.

The following is a sample letter to a legislator regarding SB2274:

Dear Senator,

I understand that the Domestic Violence Bill, SB2274, was voted favorably out of committee and will be discussed on the Senate floor. I would like to express my strong objection to passage of this bill for the following reasons;

- * This bill would put landlords in conflict with existing law. On the one hand landlords must provide "quiet enjoyment" for tenants. This bill would prevent us from doing that because it would prevent us from being able to evict disruptive, loud, noisy tenants if they have a domestic violence filing.
- * Consequences of not being able to evict a disruptive tenant. Currently, tenants know that they may face eviction if they don't maintain a level of quiet. If this threat of eviction were removed, then there would be no stopping the disruption and fighting due to domestic violence. Other tenants would move and we would have empty buildings which are dangerous both as a fire hazard and a magnet for the homeless.
- * Tenants have 6 months to exercise their new status with the current landlord and no time limitations on new landlords, and tenants don't even have to agree to kick out the abuser!
- * A tenant's attorney can certify who is a "victim of domestic abuse". This does not make sense. This designation should only come from police and mental health professionals.
- * If a tenant IS evicted for disruptions due to domestic violence, they will probably move in with family or friends, or go to a crisis shelter where they will receive the professional help and support they need. If the tenant is NOT evicted, then s/he remains in the apartment alone (or with children) and apprehensive of future attacks.
- * A female landlord going to collect rent at a residence with an abusive and volatile person is put in a dangerous, possibly life-threatening, situation.

I agree that a victim of domestic violence should be able to break a lease and move quickly.

I am a property owner and voter in and have several tenants that also do not agree with this bill.

Respectfully yours,

Bills in Congress and the Senate:

Call or email your Representatives and Senators!

Protect Your Right to Sell Your Property with Owner Financing

Contact your state representative and ask to have seller financing de-coupled from the following bills: **HR4173 and the 'Restoring American Financial Stability Act of 2010.**

There is currently one bill in Congress and a companion bill in the Senate that threaten the very fabric of American property rights. While there are many good benefits for the public included in these bills there are dangerous pitfalls as relates to the consumers this bill is intended to protect. Real estate investors nationwide are seeking assistance in de-coupling the individual taxpayer from this legislation that is intended for oversight of institutions, and we need your help to get the word out.

Don't Judge A Book (Or A Bill) By Its Cover

The bills are **HR 4173, the Wall Street Reform and Consumer Protection Act**, and the Senate companion bill, **the Restoring American Financial Stability Act of 2010.** These sound great don't they? Wall Street Reform, Consumer Protection and American Financial Stability are warm and fuzzy sounding names. You've probably heard the old adage, "you can't tell a book by its cover," right? Well, you can't tell a piece of legislation by its name either. Both bills literally contain thousands of pages.

Of concern to both investors and average Americans is that we are all caught in one big net directed at mortgage regulation. You, me, your parents, your grandparents... everyone you know would, upon passage of this legislation, be required to become licensed mortgage lenders if we decide to sell any property we own with owner financing. Suddenly, if your parents own a property free and clear and decide to let you buy it from them with monthly payments, they would need to be licensed as a mortgage lender and you would have to qualify for the loan as you would with any other lender.

Many properties, such as condos, mobile homes or land, don't qualify for bank financing but would now have to. Why? Because purchasing from individuals by using a privately held note would no longer be legal. After the tumultuous real estate market of the past few years, many of today's buyers can't qualify for a traditional mortgage and count on seller financing. This would no longer be an option for millions of potential homeowners.

Your Call To Action - Make A Difference!

Here is a sample letter:

Dear _____:

I strongly encourage you to assure that no restriction of seller financing is inserted in S3217 or in any bill created in conference committees. This would have a negative

impact upon the same consumers that the Anti-Predatory Lending legislation is supposed to be protecting. I am not opposed to the regulation of the mortgage industry as a whole, but only of private property owners who would seek to offer terms of sale of a property for monthly payments in exchange for equity.

Thank you for your time and attention to this matter.

Note: use your own words and experience. In other words, say that you are a Realtor or mortgage broker, or investor, or you inherited a house that you need to sell or that you are a landlord and want to sell but your buyers cannot get bank financing or whatever situation is real for you.

Threats To Private Property Rights

HR 4123 poses the following threats to the security of private property rights, and to the stabilization of the housing markets in many communities:

On its face, this legislation appears to merge individual taxpayers who accept installment payments for their equity with banking institutions, mortgage brokers and originators who sell money for a business. When a seller offers to sell their own property to another and accept payment for equity, there is no loan, but rather terms of a sale. Banks lend money that the borrower can then spend as they see fit.

In the current market, if there were no seller financing, there may be no financing at all in many communities. Millions of soon-to-be-retirees who have worked a lifetime and prepared for retirement by investing in properties that can be sold in exchange for installment payments providing supplementary income will be negatively impacted by this legislation. The legislation limits individuals to only one transaction every 36 months. Imagine trying to liquidate a large portfolio at this pace.

The dramatically increased number of individuals and families who are going through foreclosure may only retain the ability to buy a future home for their family by finding a seller amenable to accepting an installment sale. A homeowner who may have sold their previous home with seller terms has now lost their job and is about to fall behind on payments. However, they have a little vacation cabin. In order to sell quickly, the cabin has to be sold on terms to provide enough income to keep the homeowner current on their present homestead. This scenario would run afoul of this legislation as it is currently written.

While this legislation regulates large organizations with teams of legal people (consider the contract language that is being used in the resale of foreclosed homes being sold by banks) it puts the individual taxpayer at a tremendous disadvantage on both the selling side as well as the buying side, thereby making homes less accessible to many people.

Lastly, many people in the United States live in manufactured housing for which there are basically no loan products available. Once the manufactured home reaches a certain age, although there is still remaining useful life in the home, no loans are available for homeowners. How will these properties be bought or sold if not with a seller accepting

installment payments?

Specifically, the language lifted from failed HB 1728 and added to these bills, the former, Section 101, 3, (E) does not include, with respect to a residential mortgage loan, a person, estate or trust that provides mortgage financing for the sale of 1 property in any 36 month period, provided that such loan:

(i) Is fully amortizing

(ii) Is with respect to a sale for which the seller determines in good faith and documents that the buyer has a reasonable ability to repay

(iii) Has a fixed rate or an adjustable rate that is adjustable after 5 or more years, subject to reasonable annual and life-time limitations on interest rate increases, and meets any other criteria the Federal banking agencies may subscribe

Contact your state representative and ask to have seller financing de-coupled from the following bills: **HR4173 and the 'Restoring American Financial Stability Act of 2010.**

I invite you to follow up with your Senators (before the Senate bill is voted upon) and Congressmen (regarding an amendment should it pass the Senate) with emails, phone calls, letters and personal appointments when they're back in our home states. The bill, as written, has already passed the House and will soon be voted on by the Senate. We need your support and the support of every property owner you know.

What did we ask for? The answer: "to have seller financing de-coupled from these bills."

Surprise! Your Legislators WANT To Hear From You!

You may be surprised to learn how accessible and interested many of our legislators in hearing from their constituents. Did you know that, with an appointment, you can see almost any of your local House Representatives or Senators? Possibly more difficult in Washington, D.C. than while they are at home in your state but, even then, if they don't have the time to speak with you personally, you can make appointments to meet with their aides.

Everyone we talked with about these bills seemed genuinely concerned and a bit alarmed at the harm this one section could do to the general public. They were concerned for the "Mom and Pop" operations out there who may have paid off some rental properties for their retirement and now, with the new laws, would no longer be able to sell with owner finance securing themselves income during retirement. The general consensus was that this could not have been the original intention of this bill. Most termed the situation an "unintended consequence".

Your Call To Action - Make A Difference!

You can locate contact information for your Senator at <http://www.Senate.gov> and you can find your Congressional Representative at <http://house.gov>. Remember, we are asking them "to have seller financing de-coupled from the following bills: "HR4173 and the Restoring American Financial Stability Act of 2010." Contact them today!