

House Passes Bill to Stop Predatory Lending Practices

Thursday, May 07 2009

WASHINGTON, DC – Today, Congressman Mike Michaud voted to pass H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act of 2009. A similar measure (H.R. 3915) passed the House in 2007 by a vote of 291–127. “This bill represents a comprehensive approach that will help put an end to the predatory lending that contributed to getting us into our current economic crisis,” said Michaud. “If these types of regulations had been on the books ye

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“This bill represents a comprehensive approach that will help put an end to the predatory lending that contributed to getting us into our current economic crisis,” said Michaud. “If these types of regulations had been on the books years ago we may have avoided much of the pain many families and small business continue to experience. I’m just sorry it’s taken Congress this long to pass these common sense reforms.”

The Mortgage Reform and Anti-Predatory Lending Act will make sure that the mortgage industry follows basic principles of sound lending, responsibility, and consumer protection, ensuring that:

- borrowers can repay the loans they are sold;
- mortgage lenders make loans that benefit the consumer and prohibit them from steering borrowers into higher cost loans;
- all mortgage refinancing provides a net tangible benefit to the consumer;
- the secondary mortgage market, for the first time ever, is responsible for complying with these common sense standards when they buy loans and turn them into securities;
- there are incentives for the mortgage market to move back toward making safe, fully documented loans; and
- tenants renting homes that are foreclosed would receive notification and time to relocate.

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