

for reaching this special milestone and in recognizing the valuable contributions of the Center's staff to improving the quality of life for the region's Latino community.

CONGRATULATING TROJANS OF  
JAMES MADISON HIGH SCHOOL

**HON. EDDIE BERNICE JOHNSON**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 7, 2009*

Ms. EDDIE BERNICE JOHNSON of Texas. Madam Speaker, I rise today to congratulate the Trojans of James Madison High School on their first state basketball championship since 1997. These outstanding young men have come a long way this past season and have made their community in South Dallas so very proud.

Winning a state championship is something that will last a lifetime. It is a remarkable achievement that few teams ever experience, and it is a legacy that will live with the 2008–09 Trojans forever. The Trojans and Coach Damien Mobley know what brought this state title back to Dallas—hard work. It is doing that one extra sprint, that extra drill, shooting that extra free throw after practice that helped make the Trojans champions. Nobody outworked the Trojans and nobody could beat them in the state tournament. And nobody had a greater following or more community support than the Trojans of Madison High.

It is an honor to pay tribute to the entire Trojan squad and on behalf of all the residents of Texas, congratulations again to the Trojans of Madison High School and Coach Damien Mobley and the entire Madison community—you are an inspiration to us all. It is Trojan Pride at its finest. Go Trojans.

MORTGAGE REFORM AND ANTI-  
PREDATORY LENDING ACT

SPEECH OF

**HON. CHRIS VAN HOLLEN**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 6, 2009*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to provide certain minimum standards for consumer mortgage loans, and for other purposes:

Mr. VAN HOLLEN. Mr. Chair, I rise today in support of H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act.

This country is in the midst of a foreclosure crisis. After experiencing the effects of the first wave of foreclosures last year, we are now hearing warnings of a second, more harmful wave of subprime and predatory loan inspired foreclosures in the year ahead.

While everyone pays when a home is foreclosed upon, the people hit hardest are the elderly—who are easily deceived, the poor—who have few options, and people of color—who are often not informed fully about all their options. For decades, predatory lenders have targeted American borrowers of color with

subprime and predatory loans. In a 2005 Federal Reserve study, it was shown that African Americans were 3.2 times more likely to receive a higher cost, subprime loan than Whites. Latinos were 2.7 times more likely.

This bill targets the harmful practice of unfairly issuing subprime loans or using predatory lending to take advantage of borrowers.

While the legislation is not perfect, it does have some key provisions that are desperately needed.

Among its many useful provisions, H.R. 1728 establishes an ability-to-repay standard whereby the lender must determine that the borrower has a reasonable ability to repay the loan, present a net tangible benefit to homeowners seeking to refinance, and ensure that the loan cannot have any predatory characteristics.

H.R. 1728 also establishes a safe harbor for qualified, 30 year fixed loans. Doing so will help shift the incentives away from exotic mortgages.

And, the bill establishes protections for tenants who can be made homeless if their landlord fails to pay the mortgage. This bill gives tenants the right to remain in their homes until the end of their lease. If they do not have a lease or if the property is purchased, then tenants must be given 90-day notice to vacate.

These are important and necessary protections for homeowners and renters. I encourage my colleagues to join me today in voting for H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act.

MORTGAGE REFORM AND ANTI-  
PREDATORY LENDING ACT

SPEECH OF

**HON. NYDIA M. VELÁZQUEZ**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 5, 2009*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to provide certain minimum standards for consumer mortgage loans, and for other purposes:

Ms. VELÁZQUEZ. Mr. Chair, across the country hundreds of thousands of hard-working families have fallen victim to predatory lending. Poor and minority communities have been targeted. Today, we are seeing the results. The foreclosure rate is the highest in a quarter century, and many others are burdened by debt.

That's why H.R. 1728 is needed. It enacts simple reforms that will level the playing field for consumers. The Mortgage Reform and Anti-Predatory Lending Act will help the nation move toward recovery. It will give consumers the confidence to purchase a new home by ensuring predatory lending practices become a thing of the past. The bill would make it illegal for lenders to make loans that homeowners cannot reasonably be expected to repay.

It not only sets guidelines for fair lending, but takes strides to empower the borrower. For years, I have said that one of the most effective ways to stop predatory lending is to give consumers knowledge. This legislation in-

cludes my initiative to provide increased access and information on the benefits of home inspections—and give homebuyers a leg up when dealing with lenders.

Last, but not least, when we think of homes going into foreclosure, we cannot forget those who live in apartment buildings. In New York, as in many urban areas, more than half of our city rents. And today, as many as 90,000 New Yorkers reside in buildings with debts too high to maintain. These families, at no fault of their own, could be out on the street if their buildings go into foreclosure.

The amendment I have proposed would protect tenants and keep multifamily buildings out of foreclosure. It establishes a new program to stabilize troubled buildings by refinancing them or facilitating their transfer to new responsible owners.

I urge you to protect renters, to protect homeowners, and to put a stop to the abusive lending practices that have hurt so many American families. I urge a "yes" vote.

MORTGAGE REFORM AND ANTI-  
PREDATORY LENDING ACT

SPEECH OF

**HON. BOB ETHERIDGE**

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 6, 2009*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to provide certain minimum standards for consumer mortgage loans, and for other purposes:

Mr. ETHERIDGE. Mr. Chair, I rise in support of H.R. 1728, Mortgage Reform and Anti-Predatory Lending Act.

Our nation currently has the highest home foreclosure rate in a quarter century. Millions of families are facing the frightening prospect of foreclosure. Not only do these foreclosures cause great harm to individual families, but they result in declining property values for whole communities and huge disruptions in the overall housing market. This housing crisis has rippled through our economy and led to the economic recession in which we find ourselves. H.R. 1728 makes the necessary reforms to prohibit many of the ill-advised practices that led to the housing crisis.

H.R. 1728 includes several provisions to end abusive or predatory lending. This bill ends compensation structures that incentivize mortgage originators to steer borrowers into more costly loans. It also calls for increased disclosure so that consumers know if loan originators are benefiting at their expense. This bill creates uniform standards to prevent mortgage abuse. In order to meet these new standards, consumers would have to have a "reasonable ability to repay." In addition, loan refinances would have to provide some "net tangible benefit" to the consumer. Meeting these new guidelines will help erase some of the riskier loans that have damaged our housing sector. Any lender that violates these standards would be liable for damages including attorney's fees. In addition, Federal financial regulators would also get new authority to address abusive mortgage practices by issuing joint regulations. Finally, H.R. 1728 protects tenants by providing them protections

and increased notification if the house they rent falls into foreclosure.

Exotic derivatives markets based on mortgages were a primary contributor to our current economic downturn. This bill requires creditors retain at least five percent of the credit risk of each loan they transfer, or sell to a third party. Similarly, H.R. 1728 would ensure that the secondary market also comply with these new standards as they buy and trade these loans as securities. Sharing risk is an important part of ensuring safety in the marketplace.

These reforms will help us rebuild our economy now, and help us avoid future mistakes like those that contributed to our current economic crisis. I support the Mortgage Reform and Anti-Predatory Lending Act, and I urge my colleagues to join me in voting for its passage.

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MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT

SPEECH OF

**HON. YVETTE D. CLARKE**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 6, 2009*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to provide certain minimum standards for consumer mortgage loans, and for other purposes:

Ms. CLARKE. Mr. Chair, today I rise in strong support of H.R. 1728 The Mortgage Reform and Anti-Predatory Lending Act of 2009. This bill will finally put a stop to the abusive and predatory lending practices that have contributed to our nation's highest home foreclosure rate in 25 years. In recent years, some homeowners were deceived and some homeowners received more expensive loans than they could afford. In response, this bill would ensure that mortgage lenders make loans that benefit the consumer—and would bar lenders from steering borrowers into higher cost loans. Moreover, it will prohibit lenders from offering “reasonable sounding mortgages,” only to hide huge fees, rising interest rates and junk insurance in the fine print. No longer will lenders be able to “get rich” at the borrower’s expense. The Mortgage Reform and Anti-Predatory Lending Act prescribes a simple standard for all home loans: institutions must ensure that borrowers can repay the loans they are sold, before they sign on the dotted line. Under this measure, lenders and the secondary mortgage market who don’t comply with these standards would be held liable by consumers for rescission of the loan and the consumer’s costs for rescission, including attorney’s fees. This would encourage the market to move back toward making fixed-rate, fully documented loans.

Although increased regulation of the lending market is crucial to the resurgence of our housing market and economy—the main reason why I stand today is because of this bill promises to bridge the financial information gap. For many people, especially in my district of Central Brooklyn, homeownership allows them to live independently and in relative comfort, while slowly accruing wealth simply by

staying in one place. But predatory lending and mortgage fraud undermines a low-income homeowner’s grasp on economic security, leaving the most vulnerable of our society with insurmountable debt. Thereby, continuing the cycle of poverty.

In the case of the 11th Congressional District, most foreclosure victims live in low and moderate income working class communities, where conventional financial services are not available. Corrupt lenders prey on these people, offering loans they know the borrower can’t afford. Good lending advice should always be available to all. The Mortgage Reform and Anti-Predatory Lending Act directs the Secretary of Housing and Urban Development to establish a grant program to provide legal assistance to low income homeowners and tenants concerning home ownership preservation, foreclosure prevention, and tenancy associated with home foreclosure. These grants would be given out to qualifying state and local governments and nonprofit organizations offering homeownership or rental counseling. This would help level the playing field for those most susceptible to the corrupt dealings of predatory lenders.

Addressing the mortgage foreclosure crisis is one of my top priorities. This is why, the day after I was sworn into office, this year, I proudly voted for the Systematic Foreclosure Prevention Act which directed the FDIC to create a program that would provide incentives to loan servicers for mortgage medication. Additionally, earlier this year—I introduced my own legislation, H.R. 1848, the Foreclosure Prevention Act—that authorizes an appropriation of \$100 million dollars to Neighbor Works America for foreclosure mitigation activities and mortgage counseling. I am very pleased that the principals of my bill were adopted into the Mortgage Reform and Anti-Predatory Lending Act.

Lastly, I am proud that we are doing what must be done to rebuild our economy in a way that is fair and consistent with our values. Again, I stand in strong support of H.R. 1728, and pledge to continue my fight for common sense reform and consumer protections.

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MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT

SPEECH OF

**HON. LINDA T. SÁNCHEZ**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 6, 2009*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to provide certain minimum standards for consumer mortgage loans, and for other purposes:

Ms. LINDA T. SÁNCHEZ of California. Mr. Chair, I offer my strong support for the Mortgage Reform and Anti-Predatory Lending Act.

Abusive and predatory lending practices have wreaked havoc upon the American economy, bringing it to its worst state since the Great Depression. What started as a subprime mortgage crisis has ballooned to affect everyone. Millions of families have lost their homes or face the prospect of foreclosure, and busi-

nesses large and small are laying-off employees in record numbers. Unemployment figures have risen to numbers unseen in decades.

Although Congress has made great strides to stabilize and rejuvenate the economy, we must regulate lenders so that a crisis like this will never happen again. We must protect innocent home buyers from unscrupulous mortgage lenders eager to make a quick buck. Mortgage lenders should not steer borrowers into higher cost loans just to increase their commissions. Mortgage institutions should ensure that borrowers can repay the loans they are sold. Creditors should retain an economic interest in a portion of the loans they sell, which would help them to be more responsible about initiating loans.

Passing the Mortgage Reform and Anti-Predatory Lending Act is the right thing to do. The Mortgage Reform and Anti-Predatory Lending Act will outlaw many of the egregious lending practices that have multiplied in recent years and spark a return to more responsible lending methods.

These much-needed changes are long overdue and will protect vulnerable home buyers. That is why I urge my colleagues to support this critical legislation.

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MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT

SPEECH OF

**HON. JOHN D. DINGELL**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 6, 2009*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to provide certain minimum standards for consumer mortgage loans, and for other purposes:

Mr. DINGELL. Mr. Chair, I rise in support of H.R. 1728, the “Mortgage Reform and Anti-Predatory Lending Act.” Risky lending practices, combined with the consequent securitization of mortgages, ultimately brought a violent end to the housing bubble and left the United States with a constricted credit market not seen in generations. In short, simple avarice and an inexcusable disregard for the long-term health of the mortgage market gave rise to the economic crisis in which this Nation presently finds itself mired.

Just as our predecessors did in the wake of the Great Depression, we, too, must enact laws to ensure transparency in our economy and prevent the recurrence of practices that have left millions of Americans facing foreclosure. H.R. 1728 is but one of several essential means by which to achieve that end. This legislation, by requiring the licensing and registration of mortgage originators and proof of a borrower’s ability to repay a home loan, will serve to impede—and hopefully altogether prevent—the irresponsible home lending practices that have in great part crippled the economy of my home state of Michigan, which, with one foreclosed home for every 136, has the sixth-highest foreclosure rate in the nation.

Although politically expedient to focus our ire over the current economic crisis on insalubrious actors in the financial services sector and making them the target of punitive legislation, we must not lose sight of the necessity