



Legislation Text

File #: Res 0656-2003, **Version:** *

Res. No. 656

Resolution calling upon the United States Congress to respect the authority of state and local elected officials to protect their constituents from predatory home loans that strip away hard-earned home equity, trap borrowers with excessive interest rates, and frequently cause families to lose their homes.

By Council Members Sanders, Monserrate, Reed, Perkins, Gioia, Davis, Clarke, Comrie, Addabbo, Baez, Barron, Brewer, Fidler, Foster, Gennaro, Gerson, Jackson, Liu, Lopez, McMahon, Nelson, Reyna, Serrano, Vann, Dilan and Quinn; also Council Members Boyland and Seabrook

Whereas, Predatory lending abuses that take away homeowners' equity and lock borrowers into high interest rates pervade the subprime mortgage market (as evidenced most recently by predatory lending settlements entered into by two of the very largest subprime lenders), and Fannie Mae estimates that up to half of borrowers in subprime loans should be qualifying for loans with substantially lower rates and fees; and

Whereas, The targeting of subprime loans to people of color, low- and moderate-income families, and senior citizens costs those who can least afford it billions of dollars each year and reverses hard-won progress that has been made on reducing the racial homeownership gaps; and

Whereas, States and localities, including the City of New York, have responded to the crisis by protecting their residents with laws that provide critical safeguards on high-cost home loans without cutting off access to credit, preventing most predatory loans from ever being made in the first place; and

Whereas, Lenders that make predatory home loans, and their allies in the Republican congressional leadership, are planning to push legislation through Congress to negate all state and local anti-predatory lending laws without providing any meaningful, new protections for consumers; and

Whereas, Such federal legislation would take away from localities, including the City of New York whose City Council recently passed into law anti-predatory lending legislation, the ability to protect citizens from unscrupulous lending practices; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the United States Congress to respect the authority of state and local elected officials to protect their constituents from predatory home loans that strip away hard-earned home equity, trap borrowers in excessive interest rates, and frequently cause families to lose their homes.

LS#1648
1/02/03