

## Congressman Rothman Votes to Curb Predatory and Abusive Lending Practices

Aims  
to Stop Highest Home Foreclosure Rate in U.S. in 25 Years

(Washington, DC) — Today, Congressman Steve Rothman (D-NJ) voted in favor of H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act of 2009. The bill establishes a federal standard for all home loans: institutions must ensure that borrowers can repay the loan. Lenders would have to determine that a borrower has a "reasonable ability to repay," based on income, credit history and indebtedness. The bill also prohibits the financial incentives for subprime loans that encourage lenders to steer borrowers into more costly loans. The Act passed the U.S. House 300 to 114.

"In New Jersey, over 9,000 families have already lost their homes this year alone. And too many more are right behind them as homeowners struggle to pay mortgages that they should have never been granted in the first place," said Rothman. "Today Congress acted to ensure that mortgage lenders make reasonable loans that consumers can repay and that we never have to face a similar subprime mortgage meltdown again."

"New Jersey used to have a foreclosure rate below the national average, but it is now above the national average, with the numbers getting worse each month. Residential foreclosure filings in New Jersey totaled almost 48,000 in 2008, up 63 percent from 2005," said Rothman.

To restore the integrity of the mortgage lending industry, this bill makes financial institutions follow basic principles of sound lending, responsibility, and consumer protection, ensuring that borrowers can repay the loans they are sold and mortgage lenders make loans that benefit the consumer and prohibit them from steering borrowers into higher cost loans.

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