

WASHINGTON, D.C. – Congressman Steny H. Hoyer (D-MD) joined a bipartisan majority in the U.S. House today to pass the Mortgage Reform and Anti-Predatory Lending Act of 2007, legislation aimed at strengthening consumer protections against reckless and abusive lending practices. The measure is another in a series of steps that Congress is taking to respond to the nation's subprime mortgage crisis and strengthen the nation's stumbling housing market.

“The bipartisan Mortgage Reform and Anti-Predatory Lending Act will assist Americans working to finance their homes by ensuring that they only receive loans they can repay, and protecting them from reckless practices by predatory lenders,” stated Rep. Steny Hoyer. “In addition, this bill strengthens oversight of the mortgage industry by requiring mortgage bankers and loan officers to be licensed or registered.”

Serious problems with subprime mortgages have pushed the housing market into its worst slump in 16 years – weakening the American economy and making American families less secure. In recent months, many borrowers have seen adjustable rates go up – in some cases by as much as 100 percent. The impact on many Maryland homeowners has been devastating. Home foreclosures in Maryland have jumped 354 percent in the first seven months of this year from the same period in 2006 - much faster than the national increase of 61 percent. In 2006, Maryland ranked 40th nationally in home foreclosures. In recent months, the state ranked 16th.

“Real and significant damage has been done to families and communities as many adjustable-rate mortgages have reset to higher interest rates,” stated Rep. Hoyer. “The Mortgage Reform and Anti-Predatory Lending Act is part of a larger effort on the part of the government to address this lending crisis and restore the American Dream of homeownership for millions of Americans.”

Legislation already passed by the House this year includes measures that encourage financial institutions to create more affordable mortgage options for those facing foreclosure; reform the Federal Housing Administration in order to provide more affordable loans to those at risk; and increase affordable housing around the nation.

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