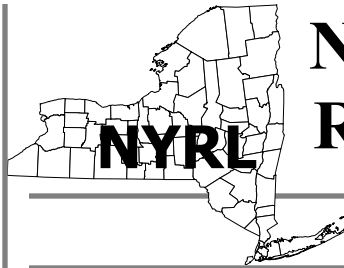


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NEW YORKERS FOR RESPONSIBLE LENDING

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BY FAX AND MAIL

August 11, 2005

Dear Representative:

We are writing to you on behalf of the New Yorkers for Responsible Lending (“NYRL”) coalition to express our vehement opposition to H.R. 1295, also known as the “Ney-Kanjorski bill.” We strongly urge you to vote against the Ney-Kanjorski bill, which would harm New Yorkers by removing key consumer protections against predatory lending in our state. We encourage you to co-sponsor the Miller-Watt-Frank bill, H.R. 1182, which would strengthen protections for New Yorkers and allow New York to address new abuses going forward.

NYRL is a state-wide coalition that promotes access to fair and affordable financial services and preservation of assets for all New Yorkers and their communities. NYRL’s 115 members are committed to fighting predatory practices in the financial services industry through policy reform, education and outreach, research and direct service. NYRL members represent community financial institutions, community-based organizations, affordable housing and first-time homebuyer groups, advocates for seniors, legal services organizations, and community reinvestment, fair lending, and consumer advocacy groups.

First and foremost, the Ney-Kanjorski bill would roll back vital consumer protections that currently exist at both state and federal levels. In 2002, New York State passed one of the strongest state anti-predatory lending laws in the country, in response to the proliferation of abusive and deceptive practices in the high cost mortgage lending market, in all regions of our state. New York’s anti-predatory lending law, Banking Law § 6-1, is the best protection New Yorkers have against predatory lenders and is the primary reason why predatory lending in the mortgage refinancing area has been significantly reduced in our state. H.R. 1295 not only would nullify New York’s strong and innovative state law, but would also preempt all state laws relating to virtually every aspect of residential mortgage lending.

The Ney-Kanjorski bill would create an extremely weak federal standard, full of loopholes and safe harbors that favor the powerful lending

industry and harm American homeowners. The bill would drastically change the Truth in Lending Act, 15 U.S.C. § 1601, *et seq.*, and the Home Ownership Equity and Protection Act (HOEPA), 15 U.S.C. §1639, weakening long-standing protections for homeowners. Attached please find a fact sheet on ways the Ney-Kanjorski bill would hurt New York homeowners, along with a detailed bill analysis prepared by the Center for Responsible Lending.

Although dubbed the “Responsible Lending Act,” the Ney-Kanjorski bill would in fact undermine responsible lending. Provisions of the bill that appear to add protections for consumers are nothing short of a smoke screen. Few of the added protections have any substance, and many lenders would be exempt from even having to comply because of loopholes in the legislation.

The Miller-Watt-Frank bill, H.R. 1182, would not preempt state law. Rather, it would improve and expand existing provisions in HOEPA to ensure that the law addresses abuses in the high cost lending arena, such as financing of excessive fees, making loans without due regard to the borrower’s income, and mandatory arbitration clauses. It would also tighten various loopholes in HOEPA, and prohibit flipping a home loan without any reasonable, tangible benefit to the borrower.

New York is among the states with the most to lose since our anti-predatory lending law has already been working to protect our citizens and communities. A roll-back of these protections will mean a roll-back for New York.

The Ney-Kanjorski bill is blatantly pro-industry. The Miller-Watt-Frank bill takes a balanced approach to addressing predatory lending without jeopardizing access to sound credit or the public interest. H.R. 1182, coupled with existing state laws and current practices of responsible lenders, would provide strong and effective protections for borrowers.

We urge you to **vote against the Ney-Kanjorski bill**, H.R. 1295, and to **co-sponsor the Miller-Watt-Frank bill**, H.R. 1182, and to encourage your colleagues to do the same. We would welcome an opportunity to discuss our concerns with you and will follow up with your office to schedule a meeting. Please do not hesitate to contact Sarah Ludwig of New Yorkers for Responsible Lending if you have any questions at (212) 680-5100, ext. 205.

Respectfully,

Sarah Ludwig, Neighborhood Economic Development Advocacy Project
Ruhi Maker, Empire Justice Center
Josh Zinner, South Brooklyn Legal Services Foreclosure Prevention Project

On behalf of New Yorkers for Responsible Lending