



NEW YORKERS FOR RESPONSIBLE LENDING

PRESS STATEMENT

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STATEWIDE RESPONSIBLE LENDING COALITION LAUDS ASSEMBLY ON PROPOSED MEASURES TO ADDRESS SUBPRIME MORTGAGE CRISIS

January 4, 2008 – The Steering Committee of the New Yorkers for Responsible Lending coalition commends Assembly Speaker Sheldon Silver, Assembly Banking Committee Chair Darryl C. Towns, Assembly Housing Chair Vito Lopez, and the Assembly leadership for proposing a comprehensive legislative package aimed at addressing the subprime mortgage crisis, which has led to record numbers of foreclosures across the State.

Decisive action by State government is desperately needed. Long-standing lending abuses in the subprime market have been exacerbated by the proliferation of exploding adjustable rate mortgages, and an array of other unaffordable “exotic” mortgages, which will lead to even higher rates of mortgage default in the next two years.

Without strong government intervention, the high rates of default and foreclosure will continue to cause the displacement of families and the destabilization of neighborhoods throughout the State, further negatively impacting the State’s economy.

The measures proposed by the Assembly would represent a far-reaching and forward-looking response to the foreclosure crisis, both by providing for direct assistance to homeowners facing foreclosure, and by prohibiting on-going abusive lending practices that target New Yorkers.

The proposed \$150 million remediation fund for borrowers, and the resources that would be provided to fund counseling and legal assistance to aggrieved borrowers, would prove invaluable to stem the wave of people losing their homes to foreclosures. The Responsible Lending Act of 2008, if passed, would create some of the strongest protections in the country against abusive and predatory lenders.

The 136 non-profit and community-based organizations around the State that comprise New Yorkers for Responsible Lending look forward to working with the Assembly, as well as with the Governor and the Senate, to keep New Yorkers in their homes.

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