

November 15, 2007: Mortgage Reform and Anti-Predatory Lending Act

The Honorable Loretta Sanchez

MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT OF 2007

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Mr. Chairman, I rise in support of H.R. 3915, the Mortgage Reform and Anti-Predatory Lending Act of 2007.

H.R. 3915 restricts the harmful mortgage lending products that have wreaked havoc on our local communities.

In my district in Orange County, California, the cities of Anaheim and Santa Ana are feeling the effects of irresponsible lending practices that resulted in numerous foreclosures.

One-third of the homes on the market in those cities are available because they were foreclosed on.

Borrowers who will only purchase a home once or twice in their lifetimes should not be blamed for the current situation.

Through the licensing of mortgage loan originators, the establishment of loan origination standards, and the enhancement of consumer protections, H.R. 3915 takes appropriate steps to stop predatory lending practices without placing an undue burden on responsible mortgage originators and lenders.

These new standards will provide needed safeguards without preventing potential homebuyers from obtaining loans.

Eventually, the financial services industry will recover from the current mortgage crisis, and we must ensure that the predatory practices of the past are not repeated in the future.