Foreclosure Prevention Coalition

For Immediate Release: **Contact:** Aaron Gornstein, CHAPA (617) 742-0820
Joe Kriesberg, MACDC (617) 426-0303
Tom Callahan, MAHA (617) 822-9100
Maureen Fitzgerald, MNPHA (617) 367-9798

House Passes Strong Foreclosure Prevention Legislation

Coalition Applauds House for Comprehensive Approach Addressing Threat to Stable Neighborhoods

BOSTON – October 18, 2007 – The House of Representatives passed a strong piece of legislation to address the foreclosure crisis today. Drafted by a team of House leaders and Speaker Salvatore DiMasi, the Legislation includes provisions to assist those currently struggling with foreclosure challenges and safeguards to prevent hazardous lending in the future.

The House legislation includes $2 million for homebuyer counseling and requires counseling for sub-prime loans with adjustable rates to ensure informed decision-making. It includes a 90-day right to cure when mortgagees fall behind on a loan without excess fees being assessed. The legislation requires foreclosure notices to include a contact name, address, and local and/or toll free telephone number to address the problem of mortgagees not being able to contact the holder of the mortgage. In addition, it authorizes the Division of Banks to ensure that mortgage lenders offer fair and sensible loans and meet the needs of the communities where they do business.

As part of the a Coalition of organizations committed to preventing foreclosures, the Citizens' Housing and Planning Association (CHAPA), the Massachusetts Affordable Housing Alliance, the Massachusetts Association of Community Development Corporations (MACDC), the National Consumer Law Center (NCLC), and the Mass Nonprofit Housing Association worked with the Speaker, Chairman Ronald Mariano (D-Quincy), Chairman Kevin Honan (D-Brighton), Chairman David Torrisi (D-North Andover) and Chairman Eugene O'Flaherty (D-Chelsea) to ensure that the Division of Banks has reasonable monitoring and oversight authority over mortgage lenders, and consumers have appropriate counseling and a reasonable right to cure delinquencies.

"The problem of mortgage foreclosures is only going to worsen so acting now with bold measures is critically important," said House Speaker Salvatore F. DiMasi. *"In passing this legislation, the House of Representatives voted to protect future home-buyers from predatory lendings and bring meaningful help to those facing foreclosure."*

"This bill is the culmination of collaboration between the Housing Committee and Financial Services Committee, and tries to attack the root of a very serious problem in the Commonwealth." said Financial Services Committee Chairman Ronald Mariano.

Housing Committee Chairman Kevin Honan noted, *"This legislation will help stabilize communities and families that have been hit hard by the foreclosure crisis."*

"This legislation is a comprehensive effort to provide borrowers with the educational information they need before entering into a mortgage. It also ensures that the standards that honest lenders already meet are followed by the entire lending industry," said Representative David Torrisi.

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