

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
Status or Date of Enactment (e)		dead	dead	dead	dead	dead	8/30/00(e)	dead	dead	dead	6/28/00(e)	dead	7/21/99(e)	dead
Summary of Bills Only Related to Predatory Lending			Consumer protection bill requiring disclosure of credit history, calculation method, other info in the file to be made available to a consumer. Timely updating also required.		Amending the Financial Institutions Code of Georgia by changing provisions relating to definitions, real estate, corporate stock and securities, board of directors, merger plans, powers of Georgia state banks, third-party payment services, mortgage broker licenses, etc.									
Types of Loans Covered by Act							Applies only to loans with a total amount of \$250,000 or less and loans primarily for a business	Includes open-end lines of credit but not reverse mortgages.			Includes open-end lines of credit but not reverse mortgages.		Applies to loans < \$300,000.	

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
							purposes.							
Triggers														
Annual Percentage Rate Trigger (HOEPA = APR > T-bill + 10%)	(like HOEPA)	X (APR > T-bill + 5%, or if variable, reasonably expected to exceed this, or rate changes not per standard market index)		X (APR > T-bill + 6.5%; disregard any rate during the initial or introductory period if lower than rate applicable at the end of the period).		X (APR > T-bill + 6%)	X (APR > T-bill + 6% on first lien mortgage, or T-bill + 8% in case of junior mortgage)	X (APR > T-bill + 8% for first mortgage or 9% for junior mortgage)	X (APR > T-bill + 5%, or if variable, reasonably expected to exceed this, or rate changes not per standard market index)	X (APR > T-bill + 5%, or if variable, reasonably expected to exceed this, or rate changes not per standard market index)	X (APR > T-bill + 8% for first lien or 9% for junior lien)		(like HOEPA)	(like HOEPA)
Points and Fees Trigger (HOEPA = points & fees > greater of 8% of total loan amount or \$400)	(like HOEPA)	X (points & fees > 3% of total loan amount if it is at least \$20,000, or 4% if it is purchase \$ loan guaranteed by FHA/VA & > \$20,000, of lesser of 5% or \$800 if it's < \$20,000) (include broker fees; can exclude certain bona	X (points & fees > 4% of total loan amount)			X (includes broker fees)	X (points & fees > 5% of total loan amount if loan => \$16,000; or p&f > \$800 if loan < \$16,000)	X (point & fees > 5% of total loan amount excluding qualifying bona fide discount points) (broker fees included)	X (points & fees > 3% of total loan amount if it is at least \$20,000, or 4% if it is purchase \$ guaranteed by FHA/VA & > \$20,000, or lesser of 5% or \$800 if it's < \$20,000) (include broker fees; can exclude certain bona fide discount	X (points & fees > 3% of total loan amount if it is at least \$20,000, or 4% of it is purchase \$ guaranteed by FHA/VA & > \$20,000, or lesser of 5% or \$800 if it's < \$20,000) (include broker fees; can exclude certain bona fide discount	X (points & fees > 5% of total loan amount, not counting 3% of qualifying bona fide discount points) (include broker fees)		X (points & fees > 5% of total loan amount if it is at least \$20,000, or lesser of 8% thereof or \$1,000 if it's < \$20,000) (include broker fees; can exclude certain bona fide discount points)	X (points & fees > 5% of total loan amount if it is at least \$20,000; or lesser of 8% thereof or \$1,000 if it's < \$20,000) (include broker fees; can exclude certain bona fide discount points)

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
		fide discount points)							points)	points)				
Other Triggers													X (prepayment fees more than 30 months after closing or prepayment fees > 2% of amount prepaid)	X (prepayment fees more than 30 months after closing or prepayment fees > 2% of amount prepaid)
Restrictions on Loan Terms														
No Negative Amortization	X	X (any loan)		X		X	X	X	X (any loan)	X (any loan)	X		X	X
No Negative Equity														
No Balloons (seasonal/irregular income adjustments typically OK)	X	X		X (only if it is more than twice as large as the average of earlier scheduled payments)		X	X (except bridge loans and loans with a term of not less than 180 months but balloon must be disclosed; and except for home equity loans)	X (except over 7 yrs. & purchase \$ bridge loans)	X	X	X (except over 7 yrs. & purchase \$ bridge loans)	X (any loan)	X	X
No Call Provision (Debt Acceleration)	X	X		X (except when repayment accelerated)		X		X	X	X	X		X	X

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
				by default)										
No Advance Payments	X	X		X (if only two periodic payments consolidated – OK)		X		X	X	X	X		X	X
No Modification or Deferral Fees	X	X		X		X		X	X	X	X		X	X
No (or Very Limited) Prepayment Fees or Penalties	X (use CA statute model – no fees except during 1 st 60 mo. & charge not > 6 mo. advance interest on amount prepaid in excess of 20% of original balance)	X (any loan)		X (any high-cost home loan that is not a consumer loan; except as allowed by the Alternative Mortgage Transactions Parity Act of 1982).		X (any loan)		X	X (any loan)	X (any loan)	X (only prohibits financing if it’s refinancing of high cost loan (HCL) of same lender or affiliate)		X (no penalty on any 1 st mortgage of \$150,000 or less; but, no limitation if preempted by federal law) (any loan)	X (no penalty on any 1 st mortgage of \$150,000 or less; but, no limitation if preempted by federal law) (any loan)
No Increased Interest Rate After Default	X	X		X (except as allowed by the Alternative Mortgage Transactions Parity Act of 1982).		X		X	X	X	X		X	X
No Mandatory Arbitration	X (clause must require proceeding to	X				X		X (No “oppressive” mandatory	X	X	X (No “Oppressive”)			

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
Limiting Judicial Relief	be in property’s federal judicial district, or as agreed by parties; lend to pay 50% of filing fees over \$150, up to max. of \$250; & comply with rules of nationally recognized arbitration organization							arbitration clause)						
No Bad Faith Avoidance of Restrictions as by Structuring as Open-End Credit Plan		X		X (only dividing any loan transaction into separate parts prohibited)		X			X	X			X	X
No Enforcement if HCL Contract Leaves Blanks to be Filled In		X (any loan)		X (any home loan)					X (any loan)	X (any loan)				
No waiver of a Violation of Predatory														

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
Lending Bill														
Adjustable Rate Mortgages Must Be Tied to Nationally Recognized Lending Rate														
Borrower Cannot Be Required to Provide Property Insurance on Improvements if Insurance Exceeds Their Reasonable Replacement Value														
Limitation on Sales & Marketing														
No Lending Without Prior Credit Counseling	X (lender must give strong cautionary notice, saying should consider counseling, & give state-approved list of counselors)	X				X			X	X	X (only requires disclosure that borrower should consider)		X	X

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
No Lending Without Consumer’s Own Attorney						X								
No Loan “Flipping”	X (handled by limiting financing of points/fees on refinancing within 12 mo.)	X (any loan)				X (any loan)	X	???	X (any loan)	X (any loan)	X (no “unconscionable” refinancing)		X (any loan)	X (any loan)
No Refinancing if No Reasonable, Tangible Net Benefit to Obligor				X										
No Lending Without Due Regard for Repayment Ability (HOEPA applies only in “pattern & practice” cases)	X (Presumption can repay if monthly payments do not exceed 55% of gross monthly income; no presumption of inability solely by exceeding 55%)	X (Presumption can repay if monthly payments do not exceed 50% of gross monthly income, no presumption of inability solely by exceeding 50%) (any loan)		X (No presumption of inability to repay solely because debts exceed 50% of gross income; lender must have a reasonable belief that repayment is possible)		X (any loan) (Presumption can repay if monthly payments do not exceed 45% of gross monthly income)	X (Presumption of ability to repay if monthly payments do not exceed 50% of gross monthly income) (if income >120% of median family income, ability to repay does not have to be considered)	X (Presumption of ability to repay if monthly payments do not exceed 50% of gross monthly income)	X (any loan)	X (any loan)	X (Presumption can repay if monthly payments do not exceed 50% of gross monthly income)	X (any loan) (affirmative defense)	X (Presumption can repay if monthly payments do not exceed 50% of gross monthly income, no presumption of inability solely by exceeding 50%)	X (Presumption can repay if monthly payments do not exceed 50% of gross monthly income, no presumption of inability solely by exceeding 50%)

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
No Recommending or Encouraging Default on Existing Loan		X (any loan)				X (any loan)			X (any loan)	X (any loan)	X		X (any loan)	X (any loan)
No Compensating, Coercing or Intimidating Appraiser to Influence Judgment on Property Value		X (any loan)							X (any loan)	X (any loan) (current law)				
No Making or Causing to Make Any False, Deceptive or Misleading Statement or Representation		X (any loan)								X (any loan) (current law)				
No Lending if loan + other liens exceed 80% of Property Value												X (any loan)		
No Lending Without Borrower being Able To Seek														

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
Independent Review of the Loan Terms														
No “Packing” – Selling Unrelated Products in Conjunction with HCL											X			
Lender Can Charge or Receive Money, Thing of Value, or Other Consideration Only if Pledged as Security or Collateral														
Point & Fee & Financing Limitations														
No Financing of Points & Fees or Other Charges Payable to 3 rd Parties or of Prepayment Fees or Penalties		X		X (prohibits only financing of points and fees > 3% of the loan amount of \$600, whichever is less).			X (prohibits only financing of point & fees > 6% of total loan amount; does not mention 3 rd party)				X (No required financing of points & fees and no financing exceeding 5% of total loan amount on non-refinancing (with certain		X	X

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ⁱ	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
											exceptions) and no financing exceeding 5% of additional proceeds received on refinancing)			
No Points & Fees if HCL Refinances Lender’s or Affiliate’s HCL	X	X		X		X (unless APR reduced at least 2%)					X (refinancing not within 2 years, except as to additional proceeds over & above the amount of the existing HCL; unclear if broker involved)		X	X
No Financing of Credit Insurance (except monthly premium)	(Gives 30 day right to cancel with full refund and later right to cancel with refund computed so as to at least = actuarial method; also, can not sell without separate	X (any loan)				X (any loan)	X (no home loans financing credit life, credit disability, credit unemployment, or any other life or health insurance) (unless details and termination		X (any loan)	X (any loan)	X (But OK if give required disclosure 3 days before closing)		X (any loan)	X (any loan)

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
	notice it's not required purchase and right to cancel)						policy disclosed at least 3 business days before signing agreement)							
Limit Broker Fees and/or Total Charges						X (any loan) (charges limited to 3% of total loan amount)						X (any loan) (broker fees limited to 3% of loan and total charges to 6% with certain exceptions)	X (points & fees charged or received by lender limited to 1%, but can be 2% in some junior liens) (1 st loans < \$300,000)	X (points & fees charged or received by lender limited to 1%, but can be 2% in some junior liens) (1 st loans < \$300,000)
No Charging Fee Where Product or Service Not Actually Provided & No Misrepresenting Amount Charged By or Paid to 3 rd Party for Product or Service		X (any loan)								X (any loan) (current law)			X (no “unreasonable compensation” , or compensation for which no or only nominal services performed	
No Fees & Points for Interest Rate Reduction Not Reasonably														

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
Consistent with Industry “Customs & Practices” or Otherwise Made in Bad Faith or Unconscionable														
No Late Fees for Later Payments														
Additional Disclosures														
Exact Monthly payments: mortgage insurance, real estate taxes, hazard insurance, principal/interest/mortgage insurance, etc.				X (also disclosure regarding the value of receiving housing counseling and a list of the nearest housing counseling agencies)										
Debt Consolidation Loans - Notice At or Prior to Application that Aggregate Amount &											X			

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
Number of Payments May Increase														
Notice at Application that Loan Not Necessarily Least Expensive & Should Shop Around											X			
Translate Certain Loan Documents into Language Other Than English (if another language used during discussions)		X (any loan)												
Notice At or Before Application Whether Loan Will Be Sold & If So, To Whom (or Can Not Sell loan for 180 Days)												X (any loan)		
Additional Notices When Foreclosing	X (new Homeowners' Equity Recovery Act)											X (any loan)		

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
	, HERA, provisions that give both strong notice & new borrower’s right to sell during 90-day period and recovery remaining equity after paying debt.)													
Notice That In Business of Arranging Loans for Fees, What Fee Will Be Charged and How Calculated + Borrower Should Receive His Credit Report														
Other Provisions														
Home Improvement Contract Proceeds Must Be Payable Jointly to	X	X		X		X (payable to borrower or at option to escrow agent)	X	X	X	X	X	X	X	X

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
Borrower & Contractor, or at Borrower’s Option to agreed upon 3 rd Party Escrow Agent														
Various Other Restrictions on Home Improvement Lending / Contracting							X (no payment from loan proceeds to contractor who has been found (at least twice within the last 24 months) in violation of laws prohibiting deceptive practices)					X		
Required Reporting to Credit Bureaus	X		X								X			
Additional Governmental Reporting Requirements		X (Extend HMDA-type reporting & report average & median interest rates on loans by census tract,						X (Required annual reports to Commissioner on the number and rate of defaults and foreclosures)	X (Extend HMDA-type reporting & report average & median interest rates on loans by census tract,		X (Annual Reporting of top 3 Referrals for HI Contractors, Consultants & Attorneys)			

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ¹	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
		racial characteristics, gender, etc.)							racial characteristics, gender, etc.)					
Broker Deemed to be Lender’s Agent												X		
Lender May Not Make Investments Backed By Loans That Violate Statute		X							X					
Enforcement & Liability														
Violations Deemed Unfair & Deceptive Acts & Practices						X					X (unfair practice if charge over usual and customary charge for comparable customer or if no reasonable capacity to repay)		X	X
Subsequent Purchasers or Assignees Liable on All Claims (e.g. Secondary Market)				X		X (any loan)								
Special												X		

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ⁱ	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
Affirmative Pleading Requirements for Lenders & Various Affirmative Defenses for Borrowers														
Any Payments Collected in Excess of the Statutorily Permitted Amounts Must Be Refunded to Borrower														
Substantial Monetary Penalties	X	X (e.g., forfeiture of all principal & interest)		X (any remedies “available under law” allowed)		X (Can recover greater of twice total of all interest, discount and charges under contract or paid by borrower plus attorneys fees & court costs) (mandatory withdrawal of license for violations)			X (e.g., forfeiture of all principal & interest)	X (e.g., forfeiture of all principal & interest)				
Limited Right to Cure, etc.	X	X		X (No violations)		X			X	X			X	X

DISCLAIMER: This document constitutes a workproduct of Butera & Andrews consisting of major state and local predatory lending legislation introduced in the period of 1999-2000. It is provided as general point of reference to a broad list of interested parties. All efforts are made to keep this document updated and accurate. However, Butera & Andrews does not guarantee the accuracy of the contents of this document and further disallows any liability for damages incurred as the result of the use or dissemination of the information contained in this document. For any question, suggestions, or comments, please contact *Wright H. Andrews* by phone at (202) 347-6875 or via e-mail wandrews@butera-andrews.com.

BUTERA & ANDREWS

1301 Pennsylvania Ave., NW
 Washington, DC 20004
 Contact: Wright Andrews
 202-347-6875 – wandrews@butera-andrews.com



1999-2000 SUMMARY COMPARISON OF MAJOR STATE AND LOCAL “PREDATORY LENDING” LEGISLATION

03/07/02 Version

CONCEPT ⁱ	NHEMA Staff Draft Concepts	California SB 2128	Colorado HB 01-1072	Colorado HB 01-1122	Georgia SB 16	Illinois HB 3007	Illinois – Chicago City Ordinance	Massachusetts SB 2202	Maryland H.B. 1196	Minnesota H.F. 2866	New York Regulation 3 NYCRR §41	New York AF 4744-B	North Carolina Session Law 1999-332	South Carolina SB 996
				deemed if appropriate restitution made after compliance failure notification and failure not intentional (e.g. bona fide error)										
If Violation Found, Foreclosure Prohibited, Except by Judicial Order														

ⁱ Note that this chart is designed to give the reader a general comparison of the major concepts in key bills. Not every concept in every bill is highlighted, and the descriptions contained herein may be simplified and not necessarily complete or fully precise. The reader should use this document only as a rough guide and should carefully read the details of each bill. All bills covered herein can be found on the NHEMA website (<http://www.nhema.org>). Also, other pending state bills or regulations exist that may be of interest.