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Reps. Ney and Kanjorski Commended on New Bill Establishing Tough Uniform National Mortgage Lending Standards

For Immediate Release

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March 15, 2005 – The Coalition for Fair and Affordable Lending (CFAL) this afternoon commended Reps. Bob Ney (R-OH) and Paul Kanjorski (D-PA) for their work in developing “The Responsible Lending Act,” which the Congressmen introduced earlier today.

Steve Nadon, CFAL’s Chairman and Chief Operating Officer of Option One Mortgage, commented, *“The new Ney-Kanjorski bill appears to equal or exceed the safeguards in most state laws and earlier legislative proposals, and provides the most comprehensive set of solutions we have seen to stop improper lending. Based on our preliminary review of the bill summary, CFAL believes that its sponsors generally have done a very good job in crafting a tough and effective, but workable measure that protects all borrowers while preserving their access to affordable mortgage credit. We also are pleased that it has provisions to improve borrowers’ financial education and counseling opportunities.”*

Nadon added, *“CFAL commends Reps. Ney and Kanjorski, and their cosponsors, for their hard work in developing this bipartisan compromise proposal and for approaching these complex issues in a thoughtful and balanced manner.”*

CFAL’s Vice Chairman, Terry Theologides, Executive Vice President of New Century Financial Corporation noted, *“Uniform national standards are needed to regulate today’s nationwide mortgage market and to preserve borrowers’ access to affordable credit. The new Ney-Kanjorski bill would provide such uniform requirements.”* Theologides added, *“As this legislative process now moves forward, CFAL reaffirms its commitment to continue working constructively with Committee Members, advocacy groups and other interested parties to help pass a truly fair and effective law this year. After more carefully studying the bill’s text, CFAL, consumer advocacy groups and others will undoubtedly suggest some refinements, but the time has come for Congress to act on these issues. This new bipartisan bill should be the legislative vehicle on which action is taken. Accordingly, we urge the House Financial Services Committee to hold hearings promptly and then to act favorably on this important bill.”*

CFAL, which represents many of the nation’s leading nonprime mortgage lenders, has long advocated passage of legislation creating uniform federal standards to replace the current confusing and conflicting patchwork of differing state and local laws now regulating mortgage lending. CFAL believes that such legislation must provide all mortgage borrowers---regardless of where they live or who regulates their loan originator---with equally strong and effective protections to stop improper practices by unscrupulous mortgage brokers and lenders. *For further information, please contact Wright Andrews, CFAL’s Executive Director, at 202-742-4250, wandrews@butera-andrews.com .*