



American Financial Services Association

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**LENDERS GROUP BRINGS LAWSUIT AGAINST CITY OF PHILADELPHIA
Litigation Challenges City's Authority to Enact Mortgage Lending Ordinance**

WASHINGTON . . . A trade group representing consumer and commercial financial services companies today brought a lawsuit to challenge the constitutional authority of the City of Philadelphia to enact an ordinance on home mortgage lending adopted last month by the Philadelphia City Council.

The litigation, filed in Philadelphia County's Court of Common Pleas by the law firm of Dilworth Paxson LLP on behalf of the American Financial Services Association (AFSA), focuses on the legal right and basis underlying "Philadelphia Predatory Lending Ordinance" (Bill No. 00715-A), rather than on the actual merits of the ordinance itself, said AFSA president and chief executive officer Randy Lively. Unless Philadelphia's action is nullified, he added, hundreds of mortgage lending ordinances -- each one different than the other and many of them conflicting with governing federal and state law -- are likely to proliferate throughout the country.

"The prospect of unfettered balkanization of the mortgage and equity lending industry is at stake unless a strong effort is made to challenge this type of municipal legislative activity," said Lively. "Financial services legislative activity must be remanded to the appropriate venue of the State Legislature or, where appropriate, to the U.S. Congress or appropriate Federal agency."

Founded in 1916 and based in Washington, D.C., AFSA is a national trade association for market funded financial services firms that provide credit to consumers and businesses. Its nearly 400 active member companies, which account for approximately \$350 billion in outstanding consumer receivables, include consumer and commercial finance companies, second mortgage lenders, auto finance/leasing companies and credit card issuers.

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