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SCHAKOWSKY WARNS HOMEOWNERS AND HOMEBUYERS NOT TO BUY INTO RHETORIC OF SO-CALLED RESPONSIBLE LENDING ACT

WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL), a leading advocate of strong standards to protect consumers from predatory lenders, today joined housing advocates from across the country to oppose the Responsible Lending Act. The bill was introduced by U.S. Representative Robert Ney (R-OH), Chairman of the Housing and Community Opportunity Subcommittee.

"It is no surprise that housing leaders and consumer advocates are rallying against this so-called Responsible Lending Act. We believe that any legislation must include zero tolerance for predatory lenders, guaranteed protection for homeowners, and maximum penalties for those who prey on homeowners. This bill fails on all fronts," Schakowsky said.

Schakowsky added, "The so-called Responsible Lending Act will undo strong local and state anti-predatory lending laws and will roll back hard fought victories for consumers by leaders like Mayor Daley of Chicago."

Schakowsky is planning to reintroduce The Save Our Homes Act. Her bill would set minimum federal standards to attack predatory practices in the mortgage industry such as high interest rates, single premium insurance products, loan flipping and churning, unilateral call provisions, and loans made without regard to the borrower's ability to pay. Schakowsky's bill, however, would not preempt stronger state and local consumer protection laws.