

# RESOLUTION OF THE CITY COUNCIL

*No.* 333

*Approved* May 2, 2003

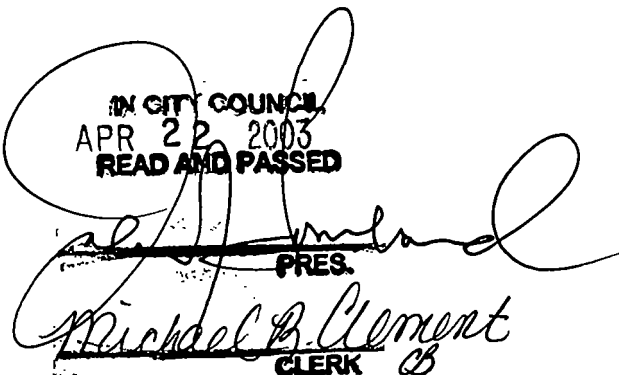
WHEREAS, Predatory lending abuses that take away homeowners' equity and lock borrowers into high interest rates pervade the subprime mortgage market (as evidenced most recently by predatory lending settlements entered into by two of the very largest subprime lenders), and Fannie Mae estimates that up to half of borrowers in subprime loans should be qualifying for 'A' loans with substantially lower rates and fees, and

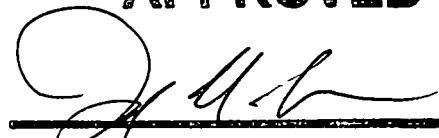
WHEREAS, The targeting of subprime loans to people of color, low- and moderate-income families, and senior citizens costs those who can least afford it billions of dollars each year and reverses hard-won progress that has been made on reducing the racial homeownership gaps, and

WHEREAS, Predatory home loans are regularly made in the City of Providence and throughout the State of Rhode Island, and

WHEREAS, Some states and localities have responded to the crisis by protecting their residents with laws that provide critical safeguards on high-cost home loans without cutting off access to credit, preventing most predatory loans from ever being made in the first place, and

WHEREAS, The House and Senate Financial Services Committee in the Rhode Island State Legislature have held hearings on the issue of predatory lending, and

IN CITY COUNCIL  
APR 22 2003  
READ AND PASSED  
  
PRES.  
Michael B. Clement  
CLERK

APPROVED  
  
MAYOR 5/2/03

Spuzzi, Jackson, Mancini, Councilwoman Roman, Williams & Young.  
Councilmen Allen, Aponte, Butler, Cardona, Councilwoman DeBuzzi, Councilmen Hassett,  
Councilman Segal & Councilman Luna, Council President Lombardi,

WHEREAS, Lenders that make predatory home loans, and their allies in the Republican Congressional leadership, are planning to push a bill, HR 833, through Congress to negate all state and local anti-predatory lending laws without providing any meaningful, new protections for consumers.

NOW, THEREFORE, BE IT RESOLVED, That the Providence City Council calls upon the Rhode Island Legislature to pass legislation that will protect the state's homeowners against predatory lending abuses on high-cost home loans (with a broader, more accurate definition of high-cost loans than currently exists in HOEPA, the relevant federal law), and

BE IT FURTHER RESOLVED, That the Providence City Council calls upon the U.S. Congress to reject HR 833 and to respect the authority of state and local elected officials to protect their constituents from predatory home loans that strip away hard-earned home equity, trap borrowers in excessive interest rates, and frequently cause families to lose their homes.

DEPARTMENT OF CITY CLERK



Michael R. Clement  
City Clerk

Claire E. Bestwick  
First Deputy

DEPARTMENT OF CITY CLERK  
CITY HALL

Anna M. Stetson  
Second Deputy

RESOLUTIONS AND ORDINANCES REQUESTED

Date: 4/14/03

Time: \_\_\_\_\_

Council Person Segal, Luna

By Request ☐  
Not By Request ☒

Summary: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

A RESOLUTION IN OPPOSITION TO THE PRACTICE OR PREDATORY LENDING

Whereas, predatory lending abuses that take away homeowners' equity and lock borrowers into high interest rates pervade the subprime mortgage market (as evidenced most recently by predatory lending settlements entered into by two of the very largest subprime lenders), and Fannie Mae estimates that up to half of borrowers in subprime loans should be qualifying for 'A' loans with substantially lower rates and fees,

Whereas, the targeting of subprime loans to people of color, low- and moderate-income families, and senior citizens costs those who can least afford it billions of dollars each year and reverses hard-won progress that has been made on reducing the racial homeownership gaps,

Whereas, predatory home loans are regularly made in the City of Providence and throughout the State of Rhode Island,

Whereas, some states and localities have responded to the crisis by protecting their residents with laws that provide critical safeguards on high-cost home loans without cutting off access to credit, preventing most predatory loans from ever being made in the first place,

Whereas, the House and Senate Financial Services Committee in the Rhode Island State Legislature have held hearings on the issue of predatory lending,

Whereas, lenders that make predatory home loans, and their allies in the Republican congressional leadership, are planning to push a bill, HR 833, through Congress to negate all state and local anti-predatory lending laws without providing any meaningful, new protections for consumers,

Therefore, Be it resolved, That the Providence City Council calls upon the Rhode Island Legislature to pass legislation that will protect the state's homeowners against predatory lending abuses on high-cost home loans (with a broader, more accurate definition of high-cost loans than currently exists in HOEPA, the relevant federal law), and

Further, That the Providence City Council calls upon the U.S. Congress to reject HR 833 and to respect the authority of state and local elected officials to protect their constituents from predatory home loans that strip away hard-earned home equity, trap borrowers in excessive interest rates, and frequently cause families to lose their homes.

Here this is in the Computer

Taken By: Claire