
The Shriver Center supports the Homeownership Preservation and Protection Act of 2007 S. 2452

TALKING POINTS

The Homeownership Preservation and Protection Act will:

- **Establish new protections for all borrowers.** It will prohibit brokers from steering prime borrowers to more expensive subprime loans, create a fiduciary duty for mortgage brokers towards borrowers, and provide for a duty of good faith and fair dealing toward borrowers for all lenders.
- **Establish new protections for subprime borrowers and borrowers who get nontraditional mortgages.** It will require a real analysis of the borrowers' ability to repay the loan. The bill prohibits prepayment penalties and Yield Spread Premiums (YSPs) on these loans, and requires that these loans provide a net tangible benefit to the borrower.
- **Provide strong remedies to make sure these standards are met.** It will allow state attorneys general enforce the provisions of the law, and does not preempt state law.
- **Provide for limited liability for holders of a mortgage made in violation of law, whether it is the original lender or a subsequent investment trust.** Unlike current law, which puts the burden on the borrower to find the party responsible for causing the harm, the legislation allows the borrower to go directly to the current mortgage holder for a cure.

Sponsor: Sen. Dodd [D-CT]

Cosponsors: Sen. Akaka [D-HI], Sen. Boxer [D-CA], Sen. Brown [D-OH], Sen. Casey [D-PA], Sen. Durbin [D-IL], Sen. Feinstein [D-CA], Sen. Harkin [D-IA], Sen. Kennedy [D-MA], Sen. Kerry [D-MA], Sen. Klobuchar [D-MN], Sen. McCaskill [D-MO], Sen. Menendez [D-NJ], Sen. Mikulsk [D-MD], Sen. Reed [D-RI], Sen. Schumer [D-NY]

Status: 12/12/07: Introduced and referred to the Committee on Banking, Housing, and Urban Affairs

Other resources:

- Center for Responsible Lending: www.responsiblelending.org
- National Community Reinvestment Coalition: www.ncrc.org
- Community Investment Network www.communityinvestmentnetwork.org

"The Shriver Center supports Senator Dodd's bill to ensure that working families are able to secure and sustain homeownership. If passed with assignee liability and without federal preemption of stronger state and local laws, Senator Dodd's bill will protect American families from unfair and deceptive lending practices."

-Dory Rand, Supervising Attorney of the Community Investment Unit, Sargent Shriver National Center on Poverty Law



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