

ENDORSEMENT FORM
Principles for Responsible Lending
Consumer Protections from Predatory Lending

Predatory mortgage lending involves the use of unfair and deceptive practices to target low-income, minority, and elderly consumers with excessive points and fees, without any net benefit. The unfair and deceptive practices include bait and switch routines, deceptive advertising, lending without regard for the consumer's ability to repay, and limiting consumers' ability to protect themselves in court. Predatory lending strips the home equity from individuals who can least afford it and frequently leads to foreclosure.

Consumer advocates are seeking several methods to protect Ohio's homeowners.

- 1) **Ohio's Consumer Sales Practices Act (CSPA).** Amend this Ohio law to include non-depository residential mortgage lenders.
- 2) **H.B. 386.** Amend this Ohio law to include home purchase loans and open-end mortgages, the point and fees trigger should be lowered, the definition of points and fees should include all points and fees paid directly or indirectly by the consumer, and the bill should provide consumers with a private right of action against creditors that violate the Bill.
- 3) **S.B. 76 – Ohio Mortgage Broker Act.** Amend this Ohio law to include provisions to ensure the mortgage broker is representing the best interests of the borrower.
- 4) **Appraisal Inflation.** Require licensure of real estate appraisers, require criminal background checks, and prohibit lenders from compensating an appraiser for the purpose of influencing the appraised value of real estate.
- 5) **All Home Loans.** A Section should be added to apply to all home loans that would: prohibit Lenders from purposefully engaging in the unfair act or practice of "flipping" a consumer home loan; presume flipping if a creditor pays off a zero-interest low-rate loan provided by a non-profit or government program; prohibit Lenders from recommending or encouraging default on an existing loan or other debt; and prohibit mandatory arbitration clauses.

The undersigned organization hereby endorses these recommendations as a means to put an end to predatory mortgage lending practices within the State of Ohio. I hereby give my permission to use my name and/or organization as an endorser of the Principles of Responsible Lending.

Signature: _____
Contact Name: _____
Organization: _____
Address: _____
City, State, Zip, County: _____
Phone, Fax, E-mail _____

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