

## Consumer advocate rips revised mortgage bill

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Columbus -- A mortgage-lending bill once praised is now being picked apart by a consumer advocate who says Ohio House lawmakers were pressured into supporting a bad piece of legislation.

"This bill resembles a predatory loan," said Bill Faith, executive director of the Coalition on Homelessness and Housing in Ohio. "At first glance, things look really good, but read the fine print and you discover you're in serious trouble."

At a news conference Monday, Faith outlined what he said were dozens of flaws in the latest version of Senate Bill 185, a proposal he backed when the Senate approved it in February.

The bill would protect borrowers against unscrupulous loans by adding mortgage-lending practices by brokers and lenders -- but not banks -- to the Consumer Sales Practices Act.

The bill comes when Ohio leads the country in home foreclosures. It would mainly target secondary lenders that provide sub-prime loans to people with poor credit history.

Faith objected to the House's significantly rewritten version of the bill passed last week. The Senate chose not to agree to the House changes, sending the bill to a joint conference committee scheduled to meet in May.

Among the House changes most troubling, Faith said, were: relaxed fiduciary duties for brokers, a loophole-riddled predatory lending definition and too much latitude to impose prepayment penalties.

Faith, who still has to lobby House members during the conference committee, stopped short of degrading them and suggested they were coerced by "predatory lobbying" from the lending industry.

The legislature took up the complicated bill amid a flurry of voting on last-minute legislation before the General Assembly began a monthlong spring break.

"I don't think we were duped by anyone," said Scott Borgemenke, House chief of staff.

He admits the House knew it was pushing through a bill that still needs work and

with changes the Senate would not support. But the House did it to force the conference committee, assuring the bill is addressed when the legislature returns from break, he said.

The House tried to provide specifics in areas the Senate left vague, such as defining predatory lending, Borgemenke said.

The bill's sponsor, Sen. Joy Padgett, Republican of Coshocton, last week said the House was being too light-handed with the financial industry.

Despite the disagreement, Borgemenke believes the conference committee will work and expects the two chambers to agree on a bill by Memorial Day.

A lending lobbyist also said the House was not misled.

"The House tried to meet a compromised goal for both sides when, in fact, that simply is not possible," said Luther L. Liggett Jr., who represents the Ohio Mortgage Bankers Association. He wants the state to drop the bill altogether and adopt and enforce federal lending guidelines.

Dayna Baird, who represents secondary lenders, said Faith was trying to "muddy the waters" when all sides should focus on working together.