

willing to speak the truth regardless of the consequences.

I have known David for almost 50 years. In him the Nation has lost one of its prolific writers, but I feel like I have lost a very good friend. I feel like I have lost a companion in the struggle for civil rights and social justice in America.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. POE) is recognized for 5 minutes.

(Mr. POE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### PREDATORY LENDING PRACTICES IN THE SUBPRIME MORTGAGE INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

Mr. CUMMINGS. Mr. Speaker, I rise today to express my deep concern with regard to predatory lending practices in the subprime mortgage industry and to emphasize the need for Congress to act swiftly in addressing this critical issue.

Owning a home is an essential component of the American Dream. Simply put, homeownership has the power to transform lives. I still remember the day 45 years ago when my family first moved into our own home. I was only 10 years old, but I will never forget that momentous event.

Homeownership changed life for me and my seven brothers and sisters. We were able to go to better schools, and our family was able to build wealth. Over the years, my parents worked hard to make the mortgage payments every month, building equity, and eventually paying it off. My mother at 81 still lives in that house, mortgage-free. Because my parents invested in their home, my mother can now live out her final years in dignity and with a sense of security.

Every American family deserves the benefits of homeownership that transformed my life. That is why I am outraged by reports of predatory lending practices in the subprime mortgage industry and the upsurge in foreclosures that have occurred as a result thereof.

The national foreclosure rate has been increasing at an alarming rate. According to RealtyTrac, a realty research firm, foreclosures increased by 42 percent from 2005 to 2006, to 1.2 million. That translates into one foreclosure for every 92 households.

Much has been made of the impact these foreclosures will have on Wall Street. However, I am equally concerned with the impact that they will have on the hundreds of thousands of Americans who are losing their homes.

Increasing foreclosures are directly related to the subprime mortgage industry, which has grown from less than

8 percent of the total mortgage market in 2001 to approximately 20 percent of the market today. Subprime mortgages, which target borrowers with low credit scores, often cost more than prime mortgages, and include terms that allow payments to balloon or grow exponentially over time.

Predatory lending practices are common in the subprime mortgage industry, where borrowers are more likely to either have limited options available to them or be unaware of their options. Disturbingly, African Americans and Latinos are more likely to get higher rates than white borrowers with the same qualifications, and borrowers over the age of 65 have five times the odds of receiving a subprime loan than younger borrowers.

This trend is illustrated in the congressional district that I represent, the Seventh Congressional District of Maryland.

If you look at these maps, it is clear. In the map on the left, the red indicates the concentration of low-income African American and Latino populations. In the map on the right, the red area is the highest concentration of subprime loans.

Note that the two areas are nearly identical, indicating that subprime loans in the Seventh District are more likely to be given to African Americans and Latinos and lower-income people. This is simply unconscionable. Somebody is making big bucks off of vulnerable families in my district who are losing their homes. For those of us who remember redlining, this is simply more of the same. We must end discrimination in lending practices now.

Mr. Speaker, I want to conclude by urging my colleagues to continue to work on this issue. Today I introduced a resolution expressing the sense of the Congress that issues related to the subprime market must be addressed.

Specifically, the legislation identifies the following goals for reform: strengthening Federal regulations, banning unfair and deceptive practices, requiring lenders to establish a borrower's ability to pay, increasing the disclosure of alternative mortgage products, reducing or eliminating the prepayment penalty, eliminating mandatory arbitration, identifying brokers and lenders with high rates of foreclosure, and mandating preloan counseling.

As a member of the Baltimore Home Ownership Preservation Coalition and the Joint Economic Committee, I urge all of my colleagues to support this resolution and join with our chairman of the Committee on Financial Services, the gentleman from Massachusetts (Mr. FRANK), in addressing this critical issue.

Finally, I want to thank all of my colleagues who have come to the floor this evening to address this issue.

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The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MALONEY) is recognized for 5 minutes.

(Mrs. MALONEY of New York addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

#### PREDATORY LENDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. KUCINICH) is recognized for 5 minutes.

Mr. KUCINICH. Mr. Speaker, American families are hardworking, good people and deserve financial security. American families do not deserve to have their physical, emotional and financial security compromised by predatory lending practices engaged in by the subprime mortgage industry.

Subprime mortgage lending includes a wide range of loan products. What these loans have in common is they are marketed to hardworking people made vulnerable by credit scores that disqualify them from traditional loans, or who have limited credit history, thereby limiting their borrowing power.

Subprime lending is associated with significantly higher levels of foreclosure than prime lending. Subprime lenders make excessive mortgage loans of up to \$1 million, and often the borrower can obtain "cash out" refinancing. Additionally, subprime lenders offer 100 percent financing to those with poor or limited credit.

Subprime lenders are known for their forceful marketing techniques which have included "stated income" loans in which the borrower is not required to provide documentation. This places American families in danger of borrowing a substantially greater amount than what is reasonably affordable and places them in danger of being unable to meet their mortgage payments.

These predatory lending practices are forcing large numbers of American families into foreclosure. Said another way, American families are losing their homes, homes they worked hard for. They are enduring undue stress and emotional instability when confronted with this prospect.

In 2002, approximately 2.2 million American families who had borrowed money from a subprime lender had either lost their home to foreclosure or were thought to be in danger of foreclosure. The Center for Responsible Lending conducted a study in which they found that millions of American households will lose their homes and as much as \$164 billion due to foreclosures in the subprime market.

In Ohio, my home State, Ohio leads the Nation in the rate of foreclosure.