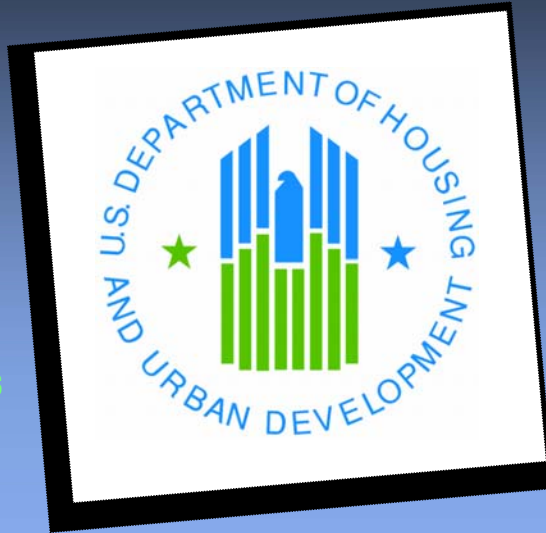


U.S. Department of Housing & Urban Development  
Los Angeles Field Office  
Jerome A. Champion, Deputy Director

# **“Don’t Borrow Trouble”**

**Protecting Communities  
from Predatory Lending  
Practice**



## **Continuum of Predatory Lending**

- **Subprime Lending**
- **Obscured Information & Pressure**
- **Hidden Information**
- **Fraud**



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## **“ABC”s of Subprime Lending**

- **Subprime Lenders ARE NOT Predatory Lenders**
- **Legitimate subprime lenders** |||⇒ **Need**  
|||⇒ **High Credit Risk Borrowers**
- **Predatory lenders** |||⇒ **Greed** |||⇒  
**Vulnerable Targets**



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## **Predatory Lending**

- **Steering**
- **Hidden Balloon Payments**
- **Credit Insurance**
- **Prepayment Penalties**
- **Flipping**
- **Fraud**



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# Anti-Predatory Lending

- **Federal, State & Local Legislation**
- **Public Education Campaign**
- **Reform of the RESPA**



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# Real Estate Settlement Procedures Act (RESPA)

- **Greater disclosure of Mortgage Broker Fees**
- **Improves the Good Faith Estimate**
- **Removes Regulatory Barriers to Lower Costs**



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***Thank You***

