



*An Article Of Interest...*

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## Realtors® Seek to Protect Home Buyers from Predatory Lending and Educate Them on Mortgage Products

WASHINGTON, February, 2007 -

The National Association of Realtors® today told a Senate panel that NAR supports stronger anti-predatory lending legislation and more consumer education on nontraditional mortgage products.

In testimony on “Preserving the American Dream: Predatory Lending Practices and Home Foreclosures” presented to the U.S. Senate Committee on Banking, Housing and Urban Affairs, NAR said that abusive and predatory lending practices are putting our nation’s communities at risk. These practices can cause more families to lose their homes and savings through higher foreclosure rates. The vacancies that result can deflate the value of surrounding homes, as well.

“Predatory lending can be disastrous not only for the borrower and his or her family, but also for the entire community,” said NAR President Pat Vredevoogd Combs, of Grand Rapids, Mich., and vice president of Coldwell Banker-AJS-Schmidt. “High foreclosures of single-family homes are a serious threat to neighborhood stability and community well-being. Realtors® help families achieve the dream of homeownership, and NAR supports responsible lending with increased consumer protections to ensure that the ‘dream’ our members help fulfill does not turn into a family’s worst nightmare.”

“Real estate professionals have a strong stake in preventing predatory lending,” said Combs. “We have to make sure that while addressing predatory lending, the legislative and regulatory responses to lending abuses do not go too far and inadvertently limit the availability of reasonable credit for prime as well as subprime borrowers.”

A brochure, How to Avoid Predatory Lending, produced jointly by NAR and the Center for Responsible Lending, identifies the warning signs of predatory loans. It also gives consumers tips on how avoid these loans, and includes questions consumers should ask when shopping for a mortgage. For copy of the brochure, go to <http://www.realtor.org/housopp.nsf/pages/SpecialtyMortgages?OpenDocument>.

The National Association of Realtors®, “The Voice for Real Estate,” is America’s largest trade association, representing more than 1.3 million members involved in all aspects of the residential and commercial real estate industries.

