



NEW YORK STATE SENATOR

Jeffrey D. Klein

Senate Democrats Hold Hearings On Predatory Lending

JEFFREY D. KLEIN July 9, 2007



20% of, or 28,000, sub-prime mortgage loans originated in 2005, are headed for foreclosure, Senator Velmanette Montgomery (D-Brooklyn), Senate Minority Leader Malcolm Smith (D-Queens), and Senator Martin Connor (D-Manhattan/Brooklyn), the ranking Democrat on the Committee on Banking, Senator Shirley Huntley (D-Queens), and Senator Diane Savino (D-Staten Island/Brooklyn) lead the first of several state-wide hearings on predatory lending practices in New York.

Over the course of the day, the Senators and their colleagues heard testimony from a variety of witnesses representing; the banking industry, the Department of Consumer Affairs, the Neighborhood Initiative Development Corporation (NIDC), the New York State Department of Banking, Neighborhood Housing Service (NHS), Carver Community Development Corp, the Neighborhood Economic Development Advocacy Project (NEDAP), South Brooklyn Legal Services' Foreclosure Prevention, Office of the Kings County District Attorney, Office of New York City Comptroller, City of New York Department of Housing Preservation and Development, and victims of predatory lending practices.

fifth highest sub-prime foreclosure rate in the nation.

Brooklyn borrowers received foreclosure notices, with 80 percent of the homeowner population living in Bedford Stuyvesant and bordering communities.

Brooklyn district.

Staten Island, due to lowered interest rates and tax abatement programs, rates for first time homebuyers have skyrocketed over the last ten years, the highest in history. The bad news is that far too many are victims of predatory lenders who are now at risk for foreclosure,”

Today's hearings will help determine future legislation, which will be crafted in the 2008 legislative session.