



NEW YORK STATE SENATOR

Malcolm Smith

Smith Advances Legislation to Help Stem the Tide of Mortgage Foreclosure

MALCOLM A. SMITH June 3, 2011

(St. Albans, NY)- Senator Malcolm A. Smith (D-St. Albans) has passed two of his bills through the Senate Banking Committee, which will help stem the tide of mortgage foreclosure.

“Southeast Queens is ground zero for fraudulent mortgages,” said Senator Smith. “This trend is completely unacceptable and I am confident that my legislation will greatly impact enforcement on deceptive and abusive practices in the lending industry.”

A 2010 study by the mortgage and real estate data company First American CoreLogic analyzed 80 million loans from Maine to Malibu, from 2004 through 2009. The results indicated that a section of South Jamaica has the highest concentration of bogus loans in the nation, with zip code 11436 being the absolute worst.

The first Smith bill, S3779, would tighten the mortgage banker licensing exemption, helping to prevent and address problems resulting from unregulated residential mortgage loans which are not subject to existing consumer protections.

The second Smith bill, S3781, would help prevent and address illegal and fraudulent activities in the mortgage industry. This bill would take additional steps to require authorization under the banking law for persons undertaking financial activities to obtain necessary approval.

Senator Smith concluded that “This type of legislation is long overdue. It will encourage and promote increased cooperation with appropriate agencies to learn of unauthorized lenders and lending practices and it will also crack down on illegal conduct to protect both the consumers and the lenders who are victimized by these practices.”

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Malcolm A. Smith is the New York State Senate Immediate Past President Pro Tempore NYS Democratic Conference and ranking member on the Banking Committee.