

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 030084)

RESOLUTION

Condemning the cynical attempt by the predatory lending industry to undermine the authority of state and local elected officials to effectively respond to the epidemic of predatory lending practices ravaging communities throughout the nation and calling upon Pennsylvania's Congressional delegation to strongly oppose this dangerous legislative assault against state and local anti-predatory lending legislation.

WHEREAS, Predatory lending abuses that take away homeowners' equity and lock borrowers into high interest rates pervade the subprime mortgage market (as evidenced most recently by predatory lending settlements entered into by two of the very largest subprime lenders) and Fannie Mae estimates that up to half of all borrowers of subprime loans (grade "B" and "C") should have qualified for grade "A" loans with substantially lower rates and fees; and

WHEREAS, The targeting of subprime loans to people of color, low- and moderate-income families, and senior citizens costs those who can least afford it billions of dollars each year and reverses hard-won progress that has been made on reducing the racial homeownership gaps; and

WHEREAS, After conducting a comprehensive investigation into the nature of abusive mortgage lending practices in Philadelphia, this Council unanimously enacted our nation's strongest anti-predatory lending ordinance on April 5, 2001 with Republicans joining Democrats in a clear and unmistakable message to the financial industry: "You have utterly failed to police yourselves and through your failure to act you have given a green light to the unscrupulous predators to strip the wealth from the hard working citizens of our City." The only proper and credible response to this crisis was swift and decisive government action; and

WHEREAS, Inspired by Philadelphia's bold legislative approach to combating predatory lending, numerous states and localities have responded to the crisis by protecting their residents with laws that provide critical safeguards on high-cost home loans without

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cutting off access to credit, preventing most predatory loans from ever being made in the first place; and

WHEREAS, Within a few short weeks after the enactment of the Philadelphia anti-predatory lending ordinance, the predatory lending industry successfully lobbied for passage of state legislation in Harrisburg which stripped the home rule powers of Philadelphia and all other Pennsylvania municipalities from enacting anti-predatory lending legislation and eroded existing consumer protections to counter predatory lending under Pennsylvania law; and

WHEREAS, The same forces which successfully stopped Philadelphia from ending the scourge of predatory lending in our city are now poised to push legislation through the United States Congress which would nullify all state and local anti-predatory lending laws without providing any meaningful new protections for consumers; and

WHEREAS, This Council is committed to working with the Pennsylvania General Assembly and the United States Congress to restore Philadelphia's home rule powers to bring real and immediate relief to the past and future victims of predatory lending; now therefore

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That Council calls upon the United States Congress to respect the authority of state and local elected officials to enact legislation for the protection of their constituents from predatory home loans that strip away hard-earned home equity, trap borrowers in excessive interest rates and frequently cause families to lose their homes.

FURTHER RESOLVED, That Council calls upon the members of the Pennsylvania Congressional Delegation to strongly oppose the dangerous legislative assault led by the predatory lending industry against state and local anti-predatory lending legislation.

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CERTIFICATION: This is a true and correct copy of the original Resolution,
Adopted by the Council of the City of Philadelphia on the sixth of February, 2003.

Anna C. Verna
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Tasco, Goode, Mariano, Ortiz and DiCicco

Sponsored by: Councilmembers Reynolds Brown, Miller, Rizzo, Nutter,
Cohen, Clarke, O'Neill, Krajewski and Blackwell

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