



NEIGHBORHOOD ASSISTANCE CORPORATION OF AMERICA

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NACA FIGHTS FANNIE MAES ATTEMPT TO DERAIL ANTI-PREDATORY LENDING BILL

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The Neighborhood Assistance Corporation of America (NACA) and Georgia governor Roy Barnes are outraged concerning Fannie Mae's last minute attempt to scuttle Georgia's anti-predatory lending legislation (HB 1361). While Fannie Mae behind the scenes been undermining anti-predatory lending legislation nationwide, this marks their first direct attack on such legislation.

NACA along with Governor Roy Barnes has been leading the fight to pass comprehensive anti-predatory lending legislation in Georgia. Thanks to strong public support, the legislation was headed for passage until Fannie Mae threatened that it would use its political clout to block it. In a letter to Governor Barnes (see attached), Fannie Mae stated they would oppose the bill, which regulates predatory practices with respect to the most high priced loans, unless the loans they purchase are excluded from its provisions. Fannie Mae offered no justification for the exclusion of their loans from the bill. This exclusion highlights the refusal of Fannie Mae to disclose the terms of billions of dollars of subprime loans they purchase. Fannie Mae already engages in predatory lending for if they do not purchase these types of loans, why does it need to be excluded from regulations concerning them?

Recent media reports document Fannie Mae's fight against attempts by congress for fuller disclosure including being subjected to SEC regulations as a public corporation and its giving its own board members high priced consulting contracts. Said Bruce Marks, NACA CEO "Fannie Mae's behavior in Georgia is part of a pattern. Fannie Mae thinks that the rules that apply to them should be different from the rules that apply to everyone else. Fannie Mae is to the mortgage industry what Enron was to the energy industry. Like Enron, they want to control every aspect of the market from pricing to supply, but they want to avoid scrutiny. Like Enron they distribute billions of dollars to politicians and non-profits because they believe that if they pay the piper they can call the tune. However, unlike Enron, they are a government entity and should be responsible to the American taxpayer."

NACA will be working closely with Governor Barnes and politicians nationwide to stop Fannie Mae. As a national organization with over one hundred thousand members, NACA will bring its confrontational tactics to bear against Fannie Mae.

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