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Secretary Cuomo has sided with Mortgage Brokers: Legalizes Bribery

Andrew Cuomo, Secretary of HUD, has sided with the mortgage brokers against the interests of consumers. Secretary Cuomo's proposed mortgage broker disclosure form simply institutionalizes the practice predatory financial lenders use in bribing brokers to scam borrowers.

The disclosure forms do nothing more than add to the mountain of paper work associated with home mortgages, while protecting mortgage brokers from consumer lawsuits. In a teleconference call with reporters, Secretary Cuomo acknowledged that his proposed regulation would help mortgage brokers increase the market share they hold in the home equity business.

The Neighborhood Assistance Corporation of America (NACA) and other community group are outraged that Secretary Cuomo is willing to provide a "Safe Harbor" for lenders to pay kickbacks for brokers to place homeowners in loans with excessive interest rates, high origination fees, balloon payments and loan shark terms. "HUD has given the green light to predatory lenders like Ford Motor Company, the nation's largest home equity lender, to exploit hard working people and our neighborhoods," said Bruce Marks, NACA Executive Director. "It is disturbing that one of Secretary Cuomo's first major initiatives is to allow brokers to continue creating the best deal for themselves and financial lenders, when he should be protecting the American public from these loan shark scams. The costs for this exploitation will be borne by the borrowers while Ford, which makes One Billion in profits, and others reap this financial windfall."

NACA Background:

NACA is a non-profit community advocacy and housing services corporation. NACA was in the forefront of the campaign against Fleet Finance's predatory lending. After a 4 ½ year war Fleet committed more than \$8.5 billion to low and moderate income people and communities. NACA is currently campaigning against Ford Motor Co., which has fine-tuned the practice of predatory lending and is now the largest home equity lender in the country.