

From Predatory Lending Act," much needed legislation to prevent predatory lending. This year, my home state of California became the third state in the nation to pass a law regulating predatory lending practices. Reverse redlining or predatory lending encompasses a number of lending practices that target minority communities, employing interest rates and service fee charges that are significantly higher than those prevailing in white communities. Such predatory lending practices are prevalent in many areas across the country and federal action in this area is long overdue.

Home equity loans have historically been the privilege of the middle class and wealthy, who generally have high credit ratings, income, and home equity. However, beginning in the 1980s, non-depository finance companies—lending institutions other than commercial banks, thrifts, and credit unions—began to provide home-equity loans to lower-income communities, which were not served by mainstream lenders.

Persons in low-income communities typically have little disposable income, but may have substantial home equity as a result of paying down their mortgages or through the appreciation of their property values. This equity can secure sizable loans. While offering loans to low-income and minority communities can benefit these communities, predatory lending practices, which oftentimes use the borrowers' home as collateral, have milked the last drops of wealth from many of these neighborhoods, leading to increased poverty and public dependence.

My bill adds important protections to the law that will save many people from losing their homes. My legislation would prohibit the industry from making false, deceptive or misleading statements or engaging in unfair or deceptive acts or practices, and prohibit blank terms in credit agreements that are filled in after the consumer has signed. In addition, it would prohibit prepayment penalties and the financing of credit insurance.

My bill will prohibit the "flipping" of consumer loans, in which the borrower refinances an existing loan when the new loan does not have a reasonable, tangible benefit to the consumer. This practice of flipping often costs the consumer thousands of dollars in fees and frequently leads to foreclosure. My bill will eliminate the practice of charging fees for services or products not actually provided. It will also prevent collusion between lenders and appraisers or home improvement contractors by prohibiting direct payments to home improvement contractors without a consumer cosignature and prohibits creditors from influencing the judgement of an appraiser.

My legislation will remove the shroud of secrecy that currently surrounds the application process by requiring that a consumer receive disclosure of his or her credit score and an explanation of the methodology used to calculate the credit score, if one is used by the lender.

My legislation will impose restrictions on late payments and apply additional safeguards by lowering the threshold for high cost mortgages.

Finally, my legislation will prohibit steering consumers into loans with higher risk grades than the consumer would qualify for under prudent underwriting standards. This is merely the latest in a long line of practices that have targeted minorities and low and moderate income families, shutting them out of the American Dream of homeownership.

This problem is getting worse, not better. According to an ACORN study, *Separate and Unequal 2001: Predatory Lending in America*, which was released last month, African-American homeowners who refinanced in the Los Angeles area were 2.5 times more likely to receive a subprime loan than white homeowners were and Latinos were 1.5 times more likely to receive a subprime refinance loan. And this is not merely a function of income: Upper-income African-Americans and middle-income African-Americans were more likely to receive a subprime loan than low-income white homeowners when refinancing. Middle-income Latinos were also more likely to receive a subprime refinance loan than low-income whites.

We must continue to scrutinize predatory lending practices and protect American consumers who are easy targets for the predatory lending industry. Congress and federal agencies must recommit our efforts to ensure that greater opportunity to credit access means an increase in quality of life, not an increase in predatory lending and foreclosure. I will continue fighting on the federal level until predatory lending is eliminated and the term will only have relevance in history books. I encourage my colleagues to support my legislation and look forward to working with you to eliminating this blight from our communities.

TRIBUTE TO K. ROSS CHILDS ON  
THE OCCASION OF HIS RETIREMENT  
AS COUNTY ADMINISTRATOR FOR GRAND TRAVERSE  
COUNTY, MICHIGAN

**HON. BART STUPAK**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, December 20, 2001*

Mr. STUPAK. Mr. Speaker, I rise tonight to pay tribute to a dedicated public servant, K. Ross Childs, who is retiring after serving as County Administrator for Grand Traverse County, Michigan, since 1976. Ross will be honored on January 5 at a special celebration in Traverse City by the many friends and colleagues he has touched in his long career.

A review of Ross' professional resume reveals an individual who acquired a broad base of skills that ably suited him for the job of county administrator. A Canadian citizen by birth, he did his undergraduate studies in the community of Owen Sound, Ontario. He came to the U.S. in 1955 to earn an engineering degree at the University of Michigan, and his postgraduate studies included courses in engineering, business administration and public administration at U. of M. and Detroit's Wayne State University.

This resume also reveals an administrator who recognized that being in charge of a diverse and growing county required close coordination with local public and private organizations. At various times Ross has served as a member or officer of, among others, the Michigan Leadership Institute, the Grand Traverse Commons Redevelopment Corporation, Leadership Grand Traverse, the Traverse Bay Economic Development Authority, the Traverse City Convention and Visitors Bureau, the Traverse City Area Chamber of Commerce, National City Bank, Blue Cross Blue Shield, and Munson Medical Center. Ross has

also been extremely active in Rotary International and will serve as district governor for 2002–2003.

But, Mr. Speaker, when I worked with Ross Childs, I wasn't working with a resume or a list of titles. I worked with a dedicated public servant, a man who was a consummate advocate for his Grand Traverse County, whether he was laboring on behalf of an individual or for the county's largest employer, Munson Healthcare.

I have worked with Ross on numerous issues, including funding for a new airport terminal at Cherry Capital Airport, funding for roads in the county, and projects at the Coast Guard air station in Traverse City. In between dealing with major projects or problems, I always knew that when the National Association of Counties met in Washington, D.C., Ross would arrive with a list of county issues for me to work on.

Ross and his wife Helen have two daughters, Mary and Susan. As a change from our usual meetings in Washington, it was a pleasure for my staff and me to be able to show Ross, Helen and Susan some of the sights of this great city when they came here on a family visit.

That doesn't mean we haven't had our differences, Mr. Speaker. I ask you to recall that Ross in an alumni of the University of Michigan, a school he not only attended but represented on the hockey rink. Waving those Michigan school colors of maize and blue in front of a Michigan State supporter like me is like waving the proverbial red flag in front of a bull.

Mr. Speaker, let me add a personal note of appreciation. Ross and Helen lost their son Scott, a hockey player like his father, in an auto accident some years ago. When my own son BJ died last year, Ross was there at the funeral to lend his support. We share a profound loss that never quite heals, and I will always remember and appreciate his true expression of sympathy and genuine concern.

So, Mr. Speaker, K. Ross Childs is giving up the reins of power in Grand Traverse County, and in one of his final acts as administrator he has helped hire and mentor Dennis Aloia, who comes from Marquette in the Upper Peninsula of Michigan. As a U.P. resident myself, I am pleased to see that Ross has learned what a great value and resource the U.P. can be for Grand Traverse County.

While Ross may be leaving his post as county administrator, he will remain active in northern Michigan as regional governor of Rotary, a organization to which he has been extremely dedicated for many years.

I ask you, Mr. Speaker, and our House colleagues to join me in congratulating this public servant on a job well done and in wishing Ross and Helen Childs the best in their retirement years.

CONGRATULATIONS TO MR. AND  
MRS. FLORENIO BACA

**HON. JOE BACA**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, December 20, 2001*

Mr. BACA. Mr. Speaker, it is my privilege to announce to you and to the rest of my esteemed colleagues, that on January 5, 2002,