



**FOR IMMEDIATE RELEASE**  
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### **Financial Regulatory Reform Bill Passed by the Conference Committee**

Washington, DC- Early this morning, the Conference Committee passed the Financial Regulatory Reform Bill. John Taylor, NCRC's president and CEO, made this statement regarding its passing:

"NCRC is pleased to see some major steps being taken to overhaul the banking system. The bill offers major consumer protections that did not exist prior to President Obama's and Barney Frank's call for reform. The creation of the Consumer Finance Protection Bureau (CFPB) as an independent agency should be able to create rules and regulations and protect consumers from future abuses. It is critical however that this independence not be undermined by the fact that the Federal Reserve Bank will house, pay for and be part of the oversight agency that has the authority to veto decisions of the CFPB. Only time will tell as to how much influence the banking regulators and others have over this new important agency."

Major components of the bill include:

#### **Consumer Agency:**

- A strong consumer agency was created to protect consumers and enforce regulations on mortgages, credit cards and other financial products.
- Independent Funding.
- Director appointed by the President and Confirmed by the Senate.
- Enforcement of pay day lenders, and check cashiers.

#### **Help for Homeowners:**

- Assistance to unemployed borrowers facing foreclosure.
- Money provided for the neighborhood stabilization fund which helps with assistance to borrowers for foreclosed or abandoned properties.
- Funds provided for counseling (Legal Aid).

#### **Anti Predatory Provisions:**

- A new minimum underwriting standard would be enforced that will make lenders verify that borrowers can repay the loan.
- Ban payments to mortgage originators who steer borrowers into high-priced loans.
- Protection against prepayment penalties and abusive loan fees.

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**Data Enhancements:**

- Data enhancements on HMDA (Home Mortgage Disclosure Data) which include loan terms and conditions & age of borrower.
- Data on the gender and race of the small business borrower so that we know whether woman and minority-owned small business are receiving loans and can start or expand their businesses.
- A default and foreclosure database that would be an early warning system enabling stakeholders to take action if the data shows a spike in foreclosures.
- A database of individual loan records in the Home Affordable Modification Program (HAMP) program. This will increase the accountability of the industry for modifying distressed loans.

About the National Community Reinvestment Coalition (NCRC):

*The National Community Reinvestment Coalition is an association of more than 600 community-based organizations that promote access to basic banking services, including credit and savings, to create and sustain affordable housing, job development, and vibrant communities for America's working families.*

<http://www.ncrc.org/>

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