

STATE SENATOR • HANSEN CLARKE • 1ST DISTRICT

Clarke Press Release

P.O. Box 30036 • Lansing • Michigan • 48909-7536 • 517-373-7346 • Fax: 517-373-9320
E-mail: SenHansenClarke@senate.michigan.gov • www.senate.mi.gov/Clarke



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Contact: Sen. Hansen Clarke
Phone: (517) 373-7346

REDUCE FORECLOSURES!

Senator Clarke Introduces Bill to Aid Licensing of Mortgage Loan Officers

LANSING—State Senator Hansen Clarke (D-Detroit) joined fellow Senators from both sides of the aisle today to sponsor a legislative package to register and regulate mortgage loan officers and protect consumers from unfair lending practices.

“For far too many Michigan citizens, it is a daunting and challenging task just to get their family *into* a home,” said Senator Clarke. “But with our current housing market and questionable lending practices, it is proving even more difficult to *stay in one*. Legislators from both sides of the aisle should be able to agree on the importance of protecting the homes of our citizens, and this package is a step in the right direction.”

Sen. Clarke is the lead sponsor of one of the bills in the package that will ensure loan officers are regulated by the Michigan Office of Financial and Insurance Services (OFIS). This will strengthen the state’s oversight of the loan industry’s practices, and allow for greater consumer protection from illegitimate procedures. It also establishes a mortgage industry advisory loan board that will review and make recommendations to the OFIS Commissioner on educational requirements, processing loan officer applications, and conducting exams. The board’s review of rules and enforcement will keep the industry honest, ethical and effective.

In August, Michigan ranked sixth-highest in the country in the number of foreclosures per household with an 11 percent increase over the previous month. Recently, Default Research reported that Wayne County had the fourth highest foreclosure rate among metro areas with one foreclosure for every 87 households. Macomb County saw a 12 percent rise. The cities that have seen their foreclosure numbers increase the most in the state are Detroit, Warren and Southfield. For Detroit, that's 1 out of 97 homes.

In order to protect consumers from fraudulent, predatory or unscrupulous lenders, other bills in the package will establish a system for the registration and renewal process of loan officers, specify prohibited loan officer conduct, and implement appropriate penalties for violations.

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