

STATE SENATOR • TUPAC A. HUNTER • 5TH DISTRICT

Hunter Press Release

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SENATOR HUNTER INTRODUCES ONE PAGE MORTGAGE SUMMARY LEGISLATION TO SIMPLIFY LOAN PROCESS

Bill will protect and educate consumers

LANSING- Sen. Tupac A. Hunter (D-Detroit) has introduced legislation that would require mortgage lenders to provide borrowers a one-page form summarizing the essentials of the loan well before closing on the mortgage. This easy-to-read summary would include a comparison of the borrower's income and expenses, as well as the principal loan terms, including interest rates, estimated taxes and insurance, and loan requirements.

"We must help consumers understand the mortgage process by assuring that they receive all the information they need when considering homeownership," Sen. Hunter said. "I believe that by providing this information on an easy-to-read, single page document, we truly help consumers make better decisions and avoid potential crisis situations like those that are now impacting our economy."

The contents of this single-page summary will be a replica of the prototype created by Alex Pollock, resident fellow at the American Enterprise Institute for Public Policy Research. Pollack is a nationally recognized expert on financial policy issues, including government-sponsored enterprises and housing finance. Previously he spent 35 years in banking, including 12 years as president and CEO of the Federal Home Loan Bank of Chicago, while also writing numerous articles on financial systems and management.

Mr. Pollock has recently been working on similar legislation at the national level. Senator Chuck Schumer (D-NY), Representative Al Green (D-TX) and Representative Spencer Bachus (R-AL) have introduced legislation incorporating the Pollock prototype.

NOTE: Alex Pollock will testify in support of the legislation at the Senate Banking & Financial Institutions hearing at 9:00 a.m. on Wednesday, November 28, in the Farnum Building.

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Sen. Hunter represents the 5th district, which is comprised of northwest Detroit, Dearborn and Inkster. He serves as Minority Vice Chair of the Banking & Financial Institutions and the Homeland Security & Emerging Technologies Committees. He is also a member of the Commerce & Tourism and the Economic Development & Regulatory Reform Committees.