



The General Court of Massachusetts

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Kevin W. Fitzgerald
State Representative
Assistant Majority Whip
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15th Suffolk District
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September 19, 2000

Commissioner Thomas J. Curry
Division of Banks
1 South Station
Boston, MA 02110

Dear Commissioner Curry:

I want to thank Banking Commissioner, Thomas Curry, and the Division of Banks for their efforts to clamp down on the abusive lending practices and also commend them for their enforcement actions they took a couple of years ago against the two mortgage companies who were engaging in abusive practices, which included charging excessive points (up to 20 points) on some mortgage loans. There is a huge difference between predatory lending and non-prime lending. The Division of Banks must continue its "zero tolerance" approach when dealing with predatory lenders but in doing so, and in adopting the new regulations, they must proceed cautiously so that non-prime borrowers—people who do not qualify for regular bank loans and people who make up a significant number of their constituents—are not faced with higher cost for credit/loans and less credit options available because the provisions of the regulation force some lenders to leave the non-prime lending area or force them to raise rates in order to deal with regulations. We are aware that the rates that trigger compliance with the provisions is in this regulation an area of concern and they should be set at a level that ensures that legitimate non-prime borrowers are not adversely impacted.

Sincerely,

A handwritten signature in black ink that reads "Kevin W. Fitzgerald".

KEVIN W. FITZGERALD
State Representative