

6747

Sponsor(s): Senators Prentice and Gardner

Brief Description: Protecting against abusive mortgage lending practices.

SB 6747 - DIGEST

Finds that abusive mortgage lending has become an increasing problem in this state, exacerbating the loss of equity in homes and causing the number of foreclosures to increase in recent years. One of the most common forms of abusive lending is the making of loans that are equity-based, rather than income-based.

Finds that the financing of points and fees in these loans provides immediate income to the originator and encourages lenders to repeatedly refinance home loans.

Finds that as competition and self-regulation have not eliminated the abusive terms from home-secured loans, the consumer protection provisions of this act are necessary to encourage lending at reasonable rates with reasonable terms.