

September 30, 2009

United States Senate
Washington, DC 20510

Dear Senator,

Congress is now undertaking the task of bringing accountability to our financial system. As religious leaders, we are concerned that our financial system work fairly for all participants and are therefore encouraged that Congress is taking up this issue. As you consider the components of needed reform, we urge you to protect those who are routinely victimized by the financial system.

A year ago, when banks failed and stocks crashed, we, as religious leaders named that experience as both a moral and economic crisis. Since then, we have comforted those who have lost everything -- jobs, homes, retirement savings -- counseled a re-assessment of priorities, and considered the causes of the crisis.

Our respective religious traditions recognize both the necessity of lending in our society and the ever-present danger of the lender's ability and temptation to take advantage of those in need of capital. So central is this issue that various faith traditions expressly warn against usury – the practice of charging excessive or unjust interest - especially when that act strips borrowers of their homes, their livelihood, and, even worse, their dignity. Moreover, all of our traditions hold a unique concern for those who have been marginalized or find themselves in need.

Core to this moral and economic crisis are unsustainable and usurious home loans. Time and time again, lenders extended credit they knew borrowers could never pay off and would have to refinance, often obscuring options and the true cost of the loans. When housing prices declined, the resulting wave of foreclosures destabilized banks and ultimately the whole economy. In our communities and houses of worship, we have seen the pain caused by this crisis.

Therefore, we ask that any legislative actions incorporate the following:

1. End financial practices that are blatantly usurious.

Predatory lending – from unexpected mortgage hikes to triple digit payday loans – only increases families' financial insecurity. The concentration of unfair lending practices in low-income communities and communities of color undermines steps to end poverty and narrow the racial wealth gap. Eliminating predatory lending puts hard-earned cash back into the pockets of working people.

2. Employ sound regulation to protect the integrity of consumer financial services.

Markets require a basic level of trust and transparency in order to function. The cost of a loan should be straightforward and credit should be extended on terms which the borrower can repay. Lenders should be required to disclose honestly, in terms ordinary people can understand, both the risks and true cost of credit. Trust is strengthened when there are clear rules, consequences for overstepping those rules, and an entity dedicated to making and enforcing the rules.

3. Keep families in their homes and prevent needless foreclosures.

Families are too important to fail. Yet, over 4.4 million households have lost their homes to foreclosure already. 13 million homes are predicted to start foreclosure, from the 4th quarter of 2008 through 2014. Efforts to keep families in their homes will restore and sustain the stability of whole communities.

As front-line witnesses to the pain and suffering caused by corrupt financial practices, we believe it is our responsibility to speak out and to call for a better system. Members of the faith community are no more or less at risk of financial ruin than others, but our ministries and services bear the burden of lifting up those who are in despair and providing needed assistance where we can. We cannot do it alone. We ask Congress to respond to this crisis with us. We urge you to take these steps to protect millions of families and restore integrity to our national economic life.

Sincerely,

The American Baptist Home Mission Societies

Reverend David Beckmann, President, Bread for the World

Simone Campbell, SSS, Executive Director, NETWORK: a National Catholic Social Justice Lobby

Tony Campolo, President, Evangelical Association for the Promotion of Education

Anne Curtis, Susan Severin, Jean Stokan, Regina McKillip The Leadership Team of the Sisters of Mercy of the Americas

Marie Dennis, Director, Maryknoll Office for Global Concerns

Friends Committee on National Legislation

Reverend Dr. Floyd H. Flake, Sr. Pastor, The Greater Allen A.M.E. Cathedral of NY

Reverend Andrew Genszler, Director of Advocacy, Evangelical Lutheran Church in America

James E. Hug, S.J., Director, Center of Concern

Dr. Michael Kinnamon, General Secretary, National Council of Churches of Christ

Reverend Lucy Kolin, PICO National Network

Victoria Kovari, Interim Executive Director, Catholics in Alliance for the Common Good

Dr. Sayyid M. Syeed, National Director, Office for Interfaith & Community Alliances, Islamic Society of North America

Reverend Gradye Parsons, Stated Clerk, Presbyterian Church USA

Rev. Peter Morales, President, Unitarian Universalist Association of Congregations

Rainbow PUSH

Nancy Ratzan, President, National Council of Jewish Women

Sojourners

Reverend John Thomas, General Minister, United Church of Christ

Dr. Sharon E. Watkins, General Minister and President, Christian Church (Disciples of Christ) in the United States and Canada

James Winkler, General Secretary, United Methodist Church – General Board of Church and Society

Rabbi Shawn Zevit, Director of Outreach and Tikkun Olam, Jewish Reconstructionist Federation