



# Protect States' Rights to Prevent Foreclosures:

## Support Miller-LaTourette Amendment

CRL Policy Brief

May 7, 2008

Amendment reinforces Congress' intent to respect the right and authority of each state to protect its citizens and communities by implementing fair and appropriate foreclosure procedures. Current banking laws respect state laws governing foreclosures, which have a direct and immediate impact on local communities.

Under current law, lenders must comply with the foreclosure laws of the state. However, in the past some overzealous federal banking regulators have exempted the institutions they regulate from complying with state consumer protection laws. The Miller-LaTourette amendment is narrowly crafted, and aims to prevent banking regulators from taking such actions on foreclosure law.

Three million homeowners with subprime loans are anticipated to enter foreclosure during the next two years, and 2 million of them are forecasted to lose their homes. Another 40 million homeowners will see their home values decline by \$200 billion due to nearby subprime foreclosures.

The Congressional Budget Office reported last month that "large numbers of foreclosures could trigger a downward spiral of house prices that could take them below what would be justified on the basis of normal relationships to income and production costs."

### About the Center for Responsible Lending

The Center for Responsible Lending (CRL) is a national nonprofit, nonpartisan research and policy organization dedicated to protecting home ownership and family wealth by working to eliminate abusive financial practices. CRL is affiliated with Self-Help, one of the nation's largest community development financial institutions.

For additional information, please visit our website at [www.responsiblelending.org](http://www.responsiblelending.org).

***Given the severity of the foreclosure crisis, and the negative impact on financial markets and our economy as whole, state protections should not be hampered.***

***We need state, federal, and local officials to mitigate the impact of the crisis.***

### Supporters

ACORN  
American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)  
Black Leadership Forum  
CDFI Coalition  
Center for Responsible Lending  
Consumer Action  
Consumers Union  
Consumer Federation of America  
International Union, Automobile, Aerospace & Agricultural Implement Workers of America  
Lawyers' Committee for Civil Rights Under Law  
Leadership Conference on Civil Rights  
National Association for the Advancement of Colored People (NAACP)

National Association of Consumer Advocates (NACA)  
National Community Reinvestment Coalition  
National Consumer Law Center (on behalf of its low-income clients)  
National Council of La Raza  
National Education Association  
National Fair Housing Alliance  
National League of Cities  
National Policy and Advocacy Council on Homelessness  
Opportunity Finance Network  
Service Employees International  
U.S. Public Interest Research Group