

Miller and Rep. Linda Sánchez Introduce Legislation to Protect Consumers in Financial Distress from Losing Their Homes

WASHINGTON - **Rep. Brad Miller** (NC-13), a member of the House Financial Services Committee and **Rep. Linda Sánchez** (CA-39), Judiciary Subcommittee Chairwoman on Commercial and Administrative Law introduced legislation that will prevent hundreds of thousands of Americans from losing their homes in bankruptcy. Miller and Sánchez were joined by

House Financial Services Committee Chairman Barney Frank

, **House Financial Institutions and Consumer Credit Subcommittee Chairwoman Carolyn Maloney**

, and

House Financial Services Oversight and Investigations Subcommittee Chairman Mel Watt

in cosponsoring the bill.

The legislation is being introduced in response to evidence that as many as 2.2 million homeowners will lose their homes due to unsustainable subprime mortgages.

"Congress needs to act quickly or millions of Americans will lose their homes to foreclosure,"

Miller

said.

According to the Center for Responsible Lending, a non-partisan, consumer advocacy group, the Miller proposal could help prevent up to 600,000 people from losing their homes in the next 24 months.

In addition to helping people affected by the subprime crises keep their homes, the Miller-Sánchez bill will treat home mortgages the same as mortgages on investment properties

and family farms. The bill repeals a provision that prohibits a bankruptcy court from modifying a home mortgage, but allows a bankruptcy court to modify any other secured debt, including mortgages on other properties.

"Responsible lenders who made loans on reasonable terms have nothing to worry about in bankruptcy court, but predatory lenders will end up with the loans they should have made in the first place," **Miller** said.

"As the subprime crisis heats up, it's high time we write legislation to help America's working families instead of helping the opportunistic lenders who took advantage of them," said **Sánchez**

. "I look forward to moving this legislation swiftly through the Subcommittee on Commercial and Administrative Law."

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