

WASHINGTON—Today, U.S. Representative Mike Quigley (D-IL) had an amendment signed into law that will provide greater fairness and transparency to homeowners who may have been improperly denied a loan modification on their mortgage without any explanation. The measure, which was signed into law as part of H.R. 4173 – the Wall Street Reform and Consumer Protection Act of 2009, was drafted in direct response to horror stories shared by constituents and taxpayers across the country.

“President Obama’s signature puts an end to the days of homeowners being forced to jump through hoops just to stay in their homes,” said Quigley. “My amendment puts the onus on lenders to make sure that these extraordinarily important mortgage modifications are done fairly and transparently. Simple questions deserve simple answers, and my amendment provides for that.”

The provision specifically targets the opaque practices of loan modification by ensuring that those seeking to modify their loans are offered a transparent process, the tools to confirm or challenge their application data (income, credit score, etc), and an avenue for recourse if they suspect they were wrongly denied. Under current law, homeowners are dependent upon their loan servicer to obtain information about their own request. These companies are notorious for not providing complete information, making errors and using egregious delay tactics, such as telling a borrower the fax machine was out of paper.

Quigley’s amendment requires participating loan servicers to provide loan modification-denied homeowners with the personal information that was used in the “net present value” (NPV) analysis to determine their approval. It also requires Treasury to make its NPV methodology and eligibility calculator available online, so homeowners can ensure their personal information was submitted correctly and are able to do their own preliminary analysis.

The amendment has been endorsed by a wide array of consumer, civil rights, and community groups including the National Fair Housing Alliance, AFL-CIO, NAACP, La Raza, Center for American Progress Action Fund, Consumer Federation of America, Americans for Financial Reform, and the National Consumer Law Center. Quigley recently met with Treasury representatives to discuss implementing his legislation.

H.R. 4173, a large-scale regulatory reform bill, will prevent the irresponsible behaviors that

## **Quigley's Constituent-Inspired Amendment Signed into Law**

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contributed to last year's financial crisis. It puts in place rules to ensure that big banks can't jeopardize our economy or small businesses ever again by ensuring that loans, mortgages, and credit cards are fair and transparent. It also protects consumers from predatory lending abuses and unfair practices often hidden in the fine print. Ultimately, the bill's common-sense reforms will ensure Washington closes regulatory loopholes so that Main Street never again has to bail out Wall Street.