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Contact: Lauren Saunders, (202) 452-6252 x 105, lsaunders@nclcdc.org

NCLC Applauds Final Passage of Wall Street Reform

The National Consumer Law Center, on behalf of its low income clients, applauded the Senate vote today passing the Dodd-Frank Wall Street Reform and Consumer Protection Act. The House passed the bill last month and President Obama is expected to sign it soon.

“The Dodd-Frank Act is a landmark bill creating a strong Consumer Financial Protection Bureau that will put a national priority on protecting consumers from unscrupulous practices,” said Lauren Saunders, Managing Attorney of NCLC’s Washington, DC office. “The CFPB will put consumers first and work vigilantly to stop the unfair or deceptive practices that have wrecked havoc on American families.”

“The CFPB’s first priority will be to make sure that reckless mortgage practices can never again endanger communities or our economy.” Saunders added. “The new agency will also be on guard for evasions of last year’s Credit CARD Act and will take aim at unfair practices that continue in the areas of overdraft fees, credit reporting, payday lending, debt collection, student and auto loans, and other areas.”

The bill also contains important new protections for home buyers. “Mortgage lenders will have to ensure that home loans are affordable. The bill restricts prepayment penalties that lock homeowners in bad loans and prohibits steering consumers to unaffordable loans or ones more expensive than those for which they qualify,” said NCLC Staff Attorney Alys Cohen. The bill also authorizes bridge loans for unemployed homeowners and funding for nonprofits. “But Congress still needs to adopt broader measures to address the current foreclosure crisis, including a requirement that mortgage servicers consider loan modifications before foreclosing,” Cohen said.

“Overall, the bill’s consumer protections are a rare triumph for Main Street over the moneyed interests of Wall Street and powerful special interests that want to continue business as usual,” Saunders said. “We look forward to the President’s signature.”

www.NCLC.org

Boston Headquarters:

7 Winthrop Square
Boston, MA 02110-1245
Phone: 617/542-8010
Fax: 617/542-8028

Washington Office:

1001 Connecticut Ave. NW
Ste. 510
Washington, DC 20036-5528
Phone: 202/452-6252
Fax: 202/463-9462