

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar Gandhi
Chief Financial Officer

DATE: January 28, 2002

SUBJECT: Fiscal Impact Statement: "Home Loan Protection Act of 2002"

REFERENCE: Bill Number 14-515

Conclusion

Funds are sufficient in the FY 2002 through FY 2005 budget and financial plan to implement the proposed legislation. No additional staff or resources will be required.

Background

The purpose of the proposed legislation is to prohibit certain predatory lending practices and abuses that injure District residents with respect to residential mortgage loans. The bill repeals and replaces the Protections from Predatory Lending and Mortgage Foreclosure Improvements Act of 2000, D.C. Law 13-263, which was suspended by the Council of the District of Columbia for a period of four months.

In addition to prohibiting predatory practices, the bill requires that loan documents for covered loans be filed with the Mayor as opposed to being recorded with the Recorder of Deeds, and requires the Mayor to maintain lists of licensed mortgage lenders and brokers and home improvement contractors. The bill also provides penalties for lenders or other persons that engage in any of the prohibited practices. The Department of Banking and Financial Institutions (DBFI) would be responsible for enforcing the proposed legislation, including investigating violations and imposing fines and other penalties.

Financial Plan Impact

Funds are sufficient in the FY 2002 through FY 2005 budget and financial plan to implement the components of the proposed legislation. Any funds collected from fines imposed on lenders would be considered O-type revenue and be deposited in an existing account dedicated to OBFI operations.