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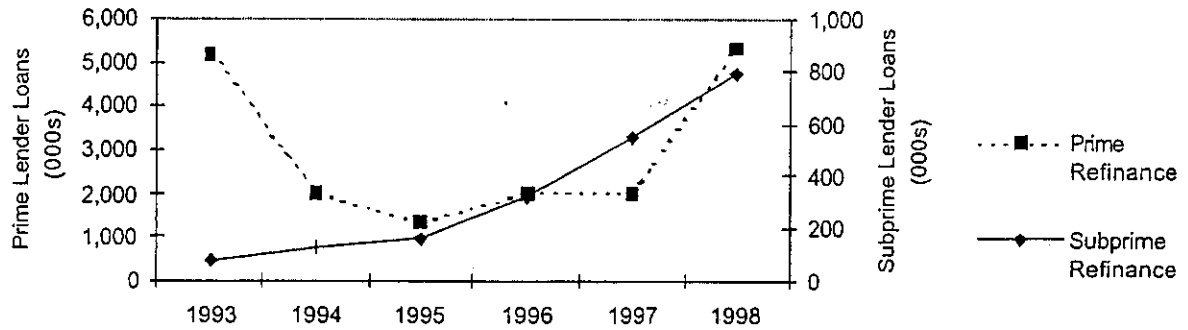
Estimated Cost of Predatory Lending*
(dollars in millions)

State	Loan Volume	Percent of Total Volume	Estimated Cost of Predatory Lending
AL	\$ 11,076.6	0.9	\$ 84.1
AK	\$ 1,953.7	0.2	\$ 14.8
AZ	\$ 29,364.4	2.5	\$ 223.0
AR	\$ 5,617.2	0.5	\$ 42.7
CA	\$ 245,403.1	20.5	\$ 1,863.5
CO	\$ 40,234.9	3.4	\$ 305.5
CT	\$ 17,366.0	1.4	\$ 131.9
DE	\$ 3,155.8	0.3	\$ 24.0
DC	\$ 3,280.2	0.3	\$ 24.9
FL	\$ 69,328.9	5.8	\$ 526.5
GA	\$ 39,277.5	3.3	\$ 298.3
HI	\$ 4,884.2	0.4	\$ 37.1
ID	\$ 4,549.6	0.4	\$ 34.5
IL	\$ 58,011.2	4.8	\$ 440.5
IN	\$ 19,547.4	1.6	\$ 148.4
IA	\$ 6,252.6	0.5	\$ 47.5
KS	\$ 7,303.6	0.6	\$ 55.5
KY	\$ 10,489.1	0.9	\$ 79.7
LA	\$ 9,331.1	0.8	\$ 70.9
ME	\$ 3,086.4	0.3	\$ 23.4
MD	\$ 27,468.2	2.3	\$ 208.6
MA	\$ 34,248.8	2.9	\$ 260.1
MI	\$ 43,303.7	3.6	\$ 328.8
MN	\$ 21,786.9	1.8	\$ 165.4
MS	\$ 5,370.4	0.4	\$ 40.8
MO	\$ 18,108.8	1.5	\$ 137.5
MT	\$ 2,254.2	0.2	\$ 17.1
NE	\$ 4,454.9	0.4	\$ 33.8
NV	\$ 13,173.9	1.1	\$ 100.0
NH	\$ 5,306.1	0.4	\$ 40.3
NJ	\$ 38,867.3	3.2	\$ 295.1
NM	\$ 5,523.3	0.5	\$ 41.9
NY	\$ 57,358.1	4.8	\$ 435.6
NC	\$ 30,574.7	2.6	\$ 232.2
ND	\$ 839.8	0.1	\$ 6.4
OH	\$ 39,994.8	3.3	\$ 303.7
OK	\$ 7,347.0	0.6	\$ 55.8
OR	\$ 15,611.6	1.3	\$ 118.5
PA	\$ 31,611.0	2.6	\$ 240.0
RI	\$ 3,810.3	0.3	\$ 28.9
SC	\$ 14,107.7	1.2	\$ 107.1
SD	\$ 1,465.8	0.1	\$ 11.1
TN	\$ 18,785.5	1.6	\$ 142.7
TX	\$ 65,564.9	5.5	\$ 497.9
UT	\$ 11,977.3	1.0	\$ 91.0
VT	\$ 1,535.3	0.1	\$ 11.7
VA	\$ 34,854.7	2.9	\$ 264.7
WA	\$ 32,518.1	2.7	\$ 246.9
WV	\$ 2,513.0	0.2	\$ 19.1
WI	\$ 17,233.1	1.4	\$ 130.9
WY	\$ 1,290.3	0.1	\$ 9.8
Total	\$1,198,373.0	100.0	\$ 9,100.0

* State estimates produced by multiplying the \$9.1 billion national estimate by each state's percentage share of total 2000 U.S. loan volume. Loan volume was calculated as the total amount of all year 2000 Home Mortgage Disclosure Act data loans reported as originated or purchased in one of the fifty states or the District of Columbia.

Exhibit 2

Refinance Lending by Prime and Subprime Lenders in the U.S.
1993-1998



*Two Steps Back: The Dual Mortgage Market, Predatory Lending, and the Undoing of
Community Development.* Woodstock Institute

Exhibit 3

**Lenders Taking Most Refinance Applications in Predominantly White
Neighborhoods in the Chicago Area, 1998**

Lender	Number of Appl's in White Tracts	Share of Appl's in White Tracts	Share of Appl's in Black Tracts	Black-White Tract Disparity
First Chicago NBD Mortgage Co.	7,602	4.37%	1.13%	0.26
Norwest Mortgage	7,225	4.15%	0.34%	0.08
Countrywide Home Loans	5,833	3.35%	1.88%	0.56
<i>Chase Manhattan Mortgage Corp¹</i>	5,504	3.16%	0.74%	0.23
Harris Trust And Savings Bank	4,776	2.74%	0.24%	0.09
Washington Mutual Bank	4,118	2.37%	0.45%	0.19
LaSalle Bank FSB	3,694	2.12%	0.97%	0.46
<i>Ameriquest Mortgage Company</i>	3,622	2.08%	5.68%	2.73
Mid America FSB	3,505	2.01%	0.05%	0.02
Citibank	2,917	1.68%	1.15%	0.69

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Exhibit 4

Lenders Taking Most Refinance Applications in Predominantly African-American Neighborhoods in the Chicago Area, 1998

Lender	Number of Appl's in Black Tracts	Share of Appl's in Black Tracts	Share of Appl's in White Tracts	Black-White Tract Disparity
<i>The Money Store</i>	3,733	7.94%	1.60%	4.96
<i>Ameriquest Mortgage Company</i>	2,674	5.68%	2.08%	2.73
<i>Equicredit Corp Of America</i>	1,501	3.19%	0.25%	12.76
<i>Advanta National Bank</i>	1,462	3.11%	0.70%	4.44
<i>New Century Mortgage Corp.</i>	1,196	2.54%	0.85%	2.99
<i>WMC Mortgage Corp.</i>	1,132	2.41%	0.54%	4.46
<i>Option One Mortgage Corporation</i>	1,075	2.29%	0.39%	5.86
<i>IMC Mortgage Company</i>	952	2.02%	0.31%	6.53
<i>Parkway Mortgage</i>	935	1.99%	0.21%	9.46
<i>Countrywide Home Loans</i>	885	1.88%	3.35%	0.56

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2003 Enacted Predatory Lending Legislation

March 14, 2003

Georgia	S.B. 53 <i>Signed by governor</i> Amends the Georgia Fair Lending Act; provides for revisions to certain definitions; provides for changes in limitations on late payment charges; specifies when a reasonable, tangible net benefit occurs; clarifies that certain home loan refinancing shall not be presumed to be a flipping; provides for reasonable attorneys' fees; provides for liability of creditors for violations of the Act; provides for certain exceptions and limitations consistent with federal law; provides the Department of Banking and Finance with express authority to promulgate rules and regulations; provides for good faith reliance on guidance from the Department of Banking and Finance.
Kentucky	H.B. 287 Signed by governor 3/12/03 Regulates mortgage lending practices.

2002 Enacted Predatory Lending Legislation

November 22, 2002

State:	Legislation:
California	<p>A.J.R. 26</p> <p>Chaptered by secretary of state 6/27/02, Resolution Chapter 96</p> <p>Memorializes the President and Congress of the United States to do all of the following: (a) Stand firm in protecting the financial interest of military reserve personnel. (b) Enact new legislation that strengthens the provisions of the Soldiers and Sailors Relief Act of 1940. (c) Look into the practice of predatory lending against military reservists based on their reserve status. (d) Enact legislation that makes it a crime to discriminate against military reserve personnel based on reserve status when applying for financing.</p>
Colorado	<p>H.B. 1259</p> <p>Signed by governor 6/7/02, Chapter 323</p> <p>Adds a new article to the Uniform Consumer Credit Code creating increased consumer protections regarding covered loans under the federal Home Ownership and Equity Protection Act of 1994. Defines terms. Creates additional protections regarding covered loans, including limitations on balloon payments, accelerations of indebtedness, negative amortization, increased interest rates after default, mandatory arbitration clauses, prepayment penalties, the use of loan proceeds to pay home improvement contractors, the financing of credit insurance, recommendations to default on existing loans, and charging a fee for providing a credit balance. Further protects covered loan consumers by requiring certain disclosures and reporting and by prohibiting advance payments, lending without regard to repayment ability, and refinancing that does not benefit the borrower or that results in a loss of certain benefits to the borrower. Preempts local law attempting to regulate lending activities that are subject to the Act or to certain federal authorities. Specifies civil remedies and grants the attorney general authority to enforce the consumer protections.</p>
Connecticut	<p>H.B. 5073</p> <p>Signed by governor 4/22/02, Public Act 02-12</p> <p>Clarifies the definition of "prepaid finance charge" and makes that definition applicable to the provision limiting such charges in secondary mortgage loan transactions.</p>
District of Columbia	<p>B14-515</p> <p>Approved 2/19/02, Act 14-296</p> <p>Creates the Home Loan Protection Act of 2002; prohibits certain predatory lending practices with respect to residential mortgage</p>

	loans, repeals the Protections from Predatory Lending and Mortgage Foreclosure Improvements Act of 2000.
	<p>B14-536 Approved 2/5/02, Act 14-273</p> <p>Amends, on an emergency basis, due to Congressional review, the Protections from Predatory Lending and Mortgage Foreclosure Improvements Act of 2000 to clarify its applicability and provide a four-month time period for revisions and clarifications; and amends a section of the Protections from Predatory Lending and Mortgage Foreclosure Improvements Temporary Amendment Act of 2001 to correct a technical error.</p>
	<p>B14-555 Approved 2/19/02, Act 14-295</p> <p>Prohibits, on an emergency basis, certain predatory lending practices with respect to residential mortgage loans, and repeals the Protections from Predatory Lending and Mortgage Foreclosure Improvements Act of 2000.</p>
	<p>PR-546 Approved 2/5/02, Resolution 14-354</p> <p>Declares the existence of an emergency, due to Congressional review, with respect to the need to amend the Protections from Predatory Lending and Mortgage Foreclosure Improvements Act of 2000 to clarify its applicability and provide a four-month time period for revisions and clarifications; and to amend a section of the Protections from Predatory Lending and Mortgage Foreclosure Improvements Temporary Amendment Act of 2001 to correct a technical error.</p>
	<p>PR-576 Approved 2/19/02, Resolution 14-372</p> <p>Declares the existence of an emergency with respect to the need to prohibit certain predatory lending practices with respect to residential mortgage loans, and to repeal the Protections from Predatory Lending and Mortgage Foreclosure Improvements Act of 2000.</p>
Florida	<p>S.B. 2262 Signed by governor 4/22/02, Chapter 57</p> <p>Creates the Florida Fair Lending Act; provides legislative findings; specifies prohibited acts regarding high-cost home loans; specifies required disclosures for high-cost home loans; requires lenders of high-cost home loans to provide notice to borrowers prior to taking foreclosure actions; allows borrowers to cure defaults; provides that a lender who violates this Act forfeits the interest in a high-cost home loan; directs the Department of Insurance to approve specified enrollment forms.</p>

Georgia	<p>H.B. 1361 Signed by governor 4/22/02 Enacts the Georgia Fair Lending Act; prohibits abusive home loan practices; provides for definitions; provides for prohibited practices and limitations relating to high-cost home loans; creates specific and numerous consumer protections for high-cost home loans; provides for penalties and enforcement; and provides for exceptions for unintentional violations</p>
Maryland	<p>H.B. 649 Signed by governor 5/16/02, Chapter 532 Prohibits specified lenders and credit grantors from financing specified single premium insurance as part of specified mortgage loans; prohibits specified lenders and credit grantors from making specified loans without giving due regard to the specified borrower's ability to repay the loans; requires specified borrowers to be provided with specified home buyer education or housing counseling information under specified circumstances.</p>
Minnesota	<p>S.F. 2988 Signed by governor 4/17/02, Chapter 342 Regulates detached facilities, certain charges and fees, and mortgage prepayment penalties.</p>
New York	<p>A.B. 11856 Signed by governor 10/3/02, Chapter 626 Regulates the making and foreclosure of high-cost home loans, imposing various prohibitions and limitations; imposes responsibilities in connection therewith on home improvement contractors; requires a certain notice in foreclosure actions and requires certain proofs by the party plaintiff; establishes affirmative defenses and permits recovery of attorneys' fees and closing costs.</p>
Tennessee	<p>S.B. 3143 Signed by governor 7/17/02, Public Law Chapter 871 Creates a special joint committee to perform a comprehensive analysis of predatory lending in Tennessee, including studying the current legislative and regulatory provisions and protections which are applicable to home loans and to those who offer home loans.</p>
West Virginia	<p>H.B. 4379 Signed by governor 3/18/02, Chapter 39 Relates to the regulation of mortgage brokers, lenders, servicers and loan originators; defines terms; requires licensure of loan originators; increases the bond amount required for mortgage brokers; creates licensing structure for loan originators; clarifies that only lender and broker licensees pay the per loan fee; provides for the refusal, revocation and suspension of loan originator licenses; provides for renewal of loan originator's license every five years or</p>

upon a change in the sponsoring mortgage broker; amends the continuing legal education requirements for brokers and loan originators; requires a net tangible benefit to the borrower for all refinancings of mortgage loans within 24 months, and clarifies language relating to allowable charges by licensees.

2001 Enacted Predatory Lending Legislation

January 3, 2002

State:	Legislation:
California	<p>A.B. 489 Chaptered by secretary of state 10/11/01 Chapter 732 Imposes various requirements on consumer loans secured by specified real property, defined as covered loans. Prohibits various acts in making covered loans, including the following: failing to consider the financial ability of a borrower to repay the loan, financing specified types of credit insurance into a consumer loan transaction, recommending or encouraging a consumer to default on an existing consumer loan in order to solicit or make a covered loan that refinances the consumer loan, and making a covered loan without providing the consumer a specified disclosure. Provides that a violation of its provisions would be subject to a civil penalty.</p>
Connecticut	<p>H.B. 6131 Signed by governor 5/31/01 Public Act 01-34 Establishes a statutory scheme to curb abusive lending practices; and prohibits mortgagees from charging a mortgagor or the mortgagor's attorney or agent a fee for the first payoff statement provided in a calendar year.</p>
Maryland	<p>H.B. 399 Signed by governor 4/20/01 Chapter 148 Requires credit unions to submit to the Financial Regulation commissioner a detailed plan to encourage low income persons to join credit unions and to expand their usage of services that provide low income members financial alternatives to predatory lending practices.</p>
	<p>S.B. 377 Signed by governor 4/20/01 Chapter 147 Requires credit unions to submit to the Financial Regulation commissioner a detailed plan to encourage low income persons to join credit unions and to expand their usage of services that provide low income members financial alternatives to predatory lending practices.</p>
Ohio	S.B. 76

	<p>Signed by governor 7/27/01</p> <p>Revises the laws governing mortgage brokers and loan officers, including the fees that may be charged for services rendered.</p>
Pennsylvania	<p>S.B. 377</p> <p>Signed by governor 6/25/01</p> <p>Act 55</p> <p>Amends the Mortgage Bankers and Brokers Act, further providing for license exemptions, for application for license, for licensee requirements, for authority of department or commission and for penalties; regulates the terms and conditions of certain subprime mortgage loan transactions; and makes editorial changes.</p>
Texas	<p>S.B. 317</p> <p>Signed by governor 6/15/01</p> <p>Requires the Finance Commission of Texas and Consumer Credit commissioner to conduct a study of mortgage lending practices with emphasis on identifying possible predatory and discriminatory lending patterns or practices. In conducting the study, the agencies must also study and consider parameters that could be used to consistently classify credit risk among mortgage loans for the purpose of assessing possible predatory or discriminatory lending practices. The agencies must prepare a report detailing the findings and recommendations resulting from the study and deliver the report to the lieutenant governor, the speaker of the House of Representatives, and legislative committees dealing with lending entities before December 1, 2002.</p>
	<p>S.B. 322</p> <p>Signed by governor 6/16/01</p> <p>Relating to the continuation and functions of the Texas Department of Housing and Community Affairs and to other matters relating to housing or community development, including the creation of the Manufactured Housing Board; provides a penalty.</p>
	<p>S.B. 1581</p> <p>Signed by governor 6/11/01</p> <p>Relates to certain practices in connection with a home loan.</p>
Utah	<p>H.J.R. 16</p> <p>Enrolled 3/9/01</p> <p>Creates an interim study committee to study ways to control high cost loans and study moving mortgage registration from the Division of Real Estate to the Department of Financial Institutions.</p>

Virginia	<p>H.B. 2708 Signed by governor 3/22/01 Chapter 510 Prohibits mortgage lenders and brokers from flipping mortgage loans. "Flipping" a mortgage loan means refinancing a mortgage loan within 12 months after the refinanced loan was originated, when the new loan does not result in any benefit to the borrower considering all of the circumstances. The Attorney General's office is authorized to enforce the prohibition.</p>
	<p>H.B. 2787 Signed by governor 3/22/01 Chapter 511 Increases the maximum penalty for a violation of the mortgage lender and broker act from \$1,000 to \$2,500, and increases the amount of the bond that mortgage lenders and brokers are required to post from \$5,000 to \$25,000. Prohibits a mortgage lender from recommending or encouraging a person to default on an existing loan or other debt, if such default adversely affects such person's credit worthiness, in connection with the solicitation or making of a refinancing mortgage loan.</p>

2000 Enacted Predatory Lending Legislation

September 7, 2001

State:	Legislation:
District of Columbia	<p>B13-800 Approved 12/5/00, Law 13-263 Enacts a new mortgage law for the District of Columbia which will clarify the status of deeds of trust and mortgages by changing and redefining certain common law and existing case law relating to mortgages, deeds of trust, foreclosure, the conduct of residential lending activities and the relationships among various persons in real property financing transactions; codifies a loan and foreclosure process that is definite, fair, inclusive, and improved for all affected persons; provides residential property owners with additional protection from predatory lending practices including an expedited judicial review of certain residential loans for predatory lending practices prior to foreclosure; audits all foreclosure sales for compliance with procedures and proper allocation of the foreclosure sale proceeds; and expands the District of Columbia's real property financing laws to include significant portions of the Restatement of the Law Third of Property (Mortgages) as adopted May 14, 1996 by the American Law Institute.</p>
Oklahoma	<p>S.B. 1481 Signed by governor 5/19/00 Relates to consumer credit; modifies charges; modifies procedures relating to reverse mortgage transactions.</p>
South Carolina	<p>S.R. 1431 Adopted 6/1/00 Creates a subcommittee of the Senate banking and insurance committee to study the problems encountered by low income borrowers seeking home equity and mortgage loans, and to provide that the subcommittee make recommendations to the Senate regarding legislation to remedy unfair predatory lending practices in South Carolina.</p>

1999 Enacted Predatory Lending Legislation

September 7, 2001

State:	Legislation:
North Carolina	S.B. 1149 Signed by governor 7/22/99, Session Law 332 Modifies permissible fees which may be charged in connection with home loans secured by first mortgage or first deed of trust, imposes restrictions and limitations on high-cost home loans, revises the permissible fees and charges on certain loans, prohibits unfair or deceptive practices by mortgage brokers and lenders, and provides for public education and counseling about predatory lenders.