

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4590-N-01]

Notice of Public Forums and Establishment of HUD Task Force on Predatory Lending Practices**AGENCY:** Office of the General Counsel, HUD.**ACTION:** Notice.

SUMMARY: HUD announces that its Assistant Secretary for Housing-FHA Commissioner and its General Counsel will co-chair public fact-finding forums on the subject of predatory lending practices during the months of April and May 2000, in the cities of Chicago, Los Angeles, New York and Baltimore. HUD is conducting these forums to gather as much information as possible to propose substantive protections to address abusive lending practices. Toward this objective, HUD also announces the establishment of a Task Force on predatory lending practices. HUD's Task Force includes representatives of consumer, civil rights, community and industry organizations as well as local officials. HUD will solicit the individual views of these members to draw upon their experience, efforts and successes at addressing abusive lending practices at the state and local level throughout the Nation.

DATES: The specific dates and times of HUD's forums as well the issues to be addressed will be announced on HUD's web site at <http://www.hud.gov> and through HUD's Office of Public Affairs.

FOR FURTHER INFORMATION CONTACT: If you have questions concerning this Notice you may contact Allen Fishbein at (202) 708-3600, or via facsimile at (202) 708-2842, or in writing at the Department of Housing and Urban Development, 451 Seventh Street, SW., Room 9110, Washington, DC 20410.

For legal questions, you may contact Kenneth A. Markison, Assistant General Counsel for GSE/RESPA, or Teresa L. Baker, Attorney for RESPA, Room 9262, Department of Housing and Urban Development, Washington, DC 20410; telephone (202) 708-3137 (these are not toll free numbers). Hearing or speech impaired individuals may access these numbers via TTY by calling the toll free General Information Relay Service at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:**I. HUD's Views on Predatory Lending Practices**

Predatory lending abuses inflate real estate settlement costs, involve high interest rates, result in debts that

families cannot afford to repay, strip equity and, in the worst cases, result in default and the loss of homeownership. Evidence from around the country continues to indicate that many of those engaged in predatory lending practices target low income minority communities for their activities, and may be treating minority and elderly borrowers less favorably than others based on their race, age, color or national origin.

Simultaneous with this review, HUD, through its proposed rule on new housing goal levels for the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, the Government Sponsored Enterprises, or GSEs), issued March 9, 2000 (65 FR 12632), will determine what controls should be established to avoid counting high cost loans with predatory features towards the GSE Housing goals. Additionally, while HUD has addressed related problems in HUD's Federal Housing Administration (FHA) program, including appraisal issues, HUD must make certain that FHA program beneficiaries are protected from predatory abuses.

II. Background

In July, 1998, HUD and the Board of Governors of the Federal Reserve System (Board) delivered a Joint Report to Congress Recommending Reform of the Real Estate Settlement Procedures Act (RESPA) and the Truth in Lending Act (TILA). HUD and the Board recommended a number of legislative proposals to remedy predatory lending abuses.

HUD has legal authority under several laws that can, at least in part, address a number of these abuses.

RESPA requires that consumers be provided with greater and more timely information on the nature and costs of the settlement process including the costs of obtaining a mortgage loan. RESPA also protects consumers from unnecessarily high settlement charges caused by kickbacks, referral fees and unearned fees involved in real estate settlement services. (12 U.S.C. 2601, *et seq.*)

The Fair Housing Act prohibits discrimination on the basis of race, color, religion, sex, familial status, national origin, or handicap in residential real-estate related transactions, which are defined to include the making or purchasing of mortgage loans. (42 U.S.C. 3605.)

The Federal Housing Enterprises Financial Safety and Soundness Act requires the Secretary to establish goals

for the GSEs' purchase of mortgages for low- and moderate income families, properties in central cities, rural and other underserved areas and special affordable housing. The Act also requires the Secretary to prohibit discrimination in the GSEs' mortgage purchases. (12 U.S.C. 4501 *et seq.*)

The National Housing Act established the Federal Housing Administration program, a key component of the Department, to provide mortgage insurance to facilitate homeownership. (12 U.S.C. 1701 *et seq.*)

III. HUD's Actions To Address Predatory Lending Practices*The Task Force*

The Secretary of HUD has appointed a Task Force on Predatory Lending, which will be chaired by the Assistant Secretary for Housing, who is also the FHA Commissioner, and HUD's General Counsel. HUD's Task Force includes representatives of consumer, civil rights, community and industry organizations as well as local officials. The members of the Task Force will:

(1) Provide individual views on predatory lending practices and help develop a list of experts and other knowledgeable persons who may participate and share their knowledge of, and experience in, the subject of predatory lending practices at the planned public forums;

(2) Help HUD consider and understand the views presented at the forums by giving individual members' reactions to the testimony presented; and

(3) Provide individual perspectives on proposals that might be made as a result of the forums.

By including a wide-range of experts and advocates on the Task Force, HUD will draw upon the good work that has already been done on this problem at the state and local level in various parts of the Nation.

The Public Forums

HUD's Assistant Secretary for Housing/FHA Commissioner and the General Counsel will also co-chair at least four public forums during April and May, 2000, to gather information and views on this problem. HUD has planned public forums for the cities of Chicago, Los Angeles, New York and Baltimore. At one or more of these forums, HUD will address a range of issues including:

- The dimensions of the problem;
- Distinguishing predatory lending practices from beneficial subprime lending;

- The adverse effects of predatory lending practices on minority and elderly borrowers;
- Possible improvements under existing federal laws and proposals for new protections;
- The role of state laws in stemming abusive lending;
- Predatory lending, the secondary market and the securities industry—from Main Street to Wall Street;
- The role of enforcement in stemming predatory lending practices under federal laws, such as the Fair Housing Act and RESPA;
- Counseling and consumer education; and
- Positive and negative effects of technology on predatory abuses.

The agendas for each forum will be established in advance and made available by HUD through its web site (<http://www.hud.gov>) and through HUD's Office of Public Affairs. Following these forums, HUD will propose protections to address abusive lending practices.

Dated: April 10, 2000.

Gail W. Laster,

General Counsel.

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DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

Notice of Receipt of Applications for Permit

Endangered Species

The following applicants have applied for a permit to conduct certain activities with endangered species. This notice is provided pursuant to section 10(c) of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531, *et seq.*).

PRT-025112

Applicant: Dana M. Biasatti, Dallas, TX

The applicant requests a permit to import samples obtained from salvaged Leatherback (*Dermochelys coriacea*), Green (*Chelonia mydas*) and Olive Ridley (*Lepidochelys olivacea*) marine turtles for the purpose of in enhancement of the species through scientific research.

PRT-024610

Applicant: Michael J. Flannery, Soldotna, AK

The applicant requests a permit to import the sport-hunted trophy of one male bontebok (*Damaliscus pygargus dorcas*) culled from a captive herd

maintained under the management program of the Republic of South Africa, for the purpose of enhancement of the survival of the species.

PRT-024500

Applicant: James D. McChesney, Cooperstown, NY

The applicant requests a permit to import the sport-hunted trophy of one male bontebok (*Damaliscus pygargus dorcas*) culled from a captive herd maintained under the management program of the Republic of South Africa, for the purpose of enhancement of the survival of the species.

PRT-024498

Applicant: Roland Garrett, Yorktown, VA

The applicant requests a permit to import the sport-hunted trophy of one male bontebok (*Damaliscus pygargus dorcas*) culled from a captive herd maintained under the management program of the Republic of South Africa, for the purpose of enhancement of the survival of the species

PRT-024740

Applicant: Robert D. Adams, Hazel, SD

The applicant requests a permit to import the sport-hunted trophy of one male bontebok (*Damaliscus pygargus dorcas*) culled from a captive herd maintained under the management program of the Republic of South Africa, for the purposes of enhancement of the survival of the species.

PRT-649126

Applicant: National Institutes of Health, Frederick, MD,

The applicant requests a permit to renew their current permit which authorizes import and/or interstate commerce to obtain biological samples taken from endangered and threatened mammals. They request the re-authorization specifically include the import and/or interstate commerce of DNA samples taken from endangered and threatened mammals for the purpose of scientific research.

PRT-024460

Applicant: Riverbanks Zoological Park & Botanical Garden, Columbia, SC

The applicant requests a permit to import one captive-born female black-footed cat (*Felis nigripes*) from the Johannesburg Zoo, Johannesburg, South Africa, for the purpose of enhancing the survival of the species through propagation.

PRT-024461

Applicant: Riverbanks Zoological Park & Botanical Garden, Columbia, SC

The applicant requests a permit to import one captive-born male black-footed cat (*Felis nigripes*) from the Pretoria Zoo, Pretoria, South Africa, for the purpose of enhancing the survival of the species through propagation.

PRT-701458

Applicant: Carl and Kevin Beck, Pahrump, NV

The applicant requests a permit to re-export and re-import captive-born Bengal tigers (*Panthera tigris tigris*) and progeny of the animals currently held by the applicant and any animals acquired in the United States by the applicant to/from worldwide locations to enhance the survival of the species through conservation education. This notification covers activities conducted by the applicant over a three-year period.

PRT-024712

Applicant: Wildlife Conservation Society, Bronx, NY

The applicant requests a permit to import up to 100 Kihansi spray toads (*Nectophrynoides asperginis*) from the Kihansi River Gorge area of Tanzania for the purpose of propagation for the enhancement of the survival of the species.

PRT-024861

Applicant: Center for Environmental Research and Conservation, Columbia University, New York, NY

The applicant requests a permit to import blood, hair and tissue samples from wild, captive held and/or captive born Asian elephant (*Elaphus maximus*) for the purpose of enhancement of the species through scientific research.

PRT-023848

Applicant: Toledo Zoological Gardens, Toledo, OH

The applicant requests a permit to import two male and one female captive-born Cheetah (*Acinonyx jubatus*) from the Hoedspruit Research and Breeding Centre, Waterkloof Ridge, South Africa for the purpose of enhancement of the species through captive propagation.

PRT-023849

Applicant: Minnesota Zoological Garden, Apple Valley, MN

The applicant requests a permit to import one male captive-born Amur leopard (*Panthera pardus orientalis*) from Jungle Cat World, Ontario, Canada for the purpose of enhancement of the species through captive propagation.

PRT-024092

Applicant: Black Pine, Inc. Albion, IN