

Press Releases

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OTS 07-028 - OTS Director Reich Addresses Pittsburgh Community Development Group

Office of Thrift Supervision

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OTS Director Reich Addresses Pittsburgh Community Development Group

Washington, D.C. -- Office of Thrift Supervision (OTS) Director John Reich addressed the Pittsburgh Community Development Group today on OTS efforts to combat predatory lending. In his remarks, Director Reich outlined a series of initiatives by OTS to address predatory lending and its impact on families and communities.

Reich also stressed the need to continue responsible lending to borrowers with varied credit histories. "I believe it is extremely important to carefully address concerns regarding subprime lending programs, such as rising delinquency and foreclosure rates in the subprime market, without creating unintended consequences of choking off mortgage credit to subprime borrowers," he told the Pittsburgh community development organization.

He noted that responsible subprime lending--providing loans to consumers with impaired credit--is not the same as predatory lending. He observed that predatory lending typically involves making a loan without regard to the ability of a borrower to repay, and involves actions such as promoting a loan refinancing to generate fees and/or engaging in deceptive practices to conceal the terms of a loan.

Director Reich added that, "Emphasizing the importance and availability of responsible lending programs for all borrowers, both prime and subprime, is important in order to keep homeownership within reach of Americans from multiple walks of life."

The Pittsburgh Community Reinvestment Group is a non-profit consortium of community organizations representing low- and moderate- income neighborhoods. The group has an initiative to combat predatory lending by educating consumers about unsound borrowing, providing referral services to victims, and supporting research to define the scope of the problem in the Pittsburgh area.

A copy of Director Reich's remarks is attached and is also available at the OTS website at www.ots.treas.gov.

Remarks of Director Reich - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2007-28a.pdf>

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at www.ots.treas.gov.
