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**PATRICK ANNOUNCES IMMEDIATE ACTION TO ADDRESS RISING TIDE OF HOME FORECLOSURES****Plan focuses on criminalizing mortgage fraud; increasing consumer protection and assistance**

BOSTON - Wednesday, April 25, 2007 - Governor Deval L. Patrick announced today both immediate regulatory action and proposed legislation to assist families facing home foreclosures. The announcement of these proposals - based on the recommendations of the recent Mortgage Summit Group report - was made at the Massachusetts Association of Community Development Corporations' (MACDC) Legislative Action Day.

"It is vital that we have an effective and immediate action plan in place to help homeowners facing foreclosures," said Governor Patrick "Addressing this problem requires a comprehensive approach that provides for greater education and information for consumers before securing a mortgage; more robust regulatory controls over brokers and lenders; a more responsive legal framework for homeowners facing foreclosure, and clear consequences for those who engage in mortgage fraud."

Initiatives announced include:

- Immediately bolstering the state's efforts on consumer assistance and education for homeowners who may be facing foreclosure, including: an enhanced hotline; a new awareness campaign; and referrals to reputable foreclosure counselors and lenders willing to be of assistance.
- Implementing regulatory changes that increase licensing and education requirements for mortgage lenders and brokers to eliminate disreputable firms and practices.
- Drafting legislation to increase protections for consumers and provide penalties for mortgage fraud, including: criminalizing mortgage fraud; prohibiting abusive foreclosure rescue schemes; creating a mandatory pre-foreclosure filing notice; and establishing a central repository of foreclosure notices at the Division of Banks.
- Building on the partnerships between government, non-profit organizations, and the mortgage industry to improve the support for homeowners and monitoring of the industry. Joint efforts would include: developing a foreclosure intervention mortgage program; reviewing and identifying false, deceptive, and misleading advertising practices; reviewing sales practices of real estate brokers and salespersons that refer clients to mortgage lenders and brokers; improving the existing process of mortgage disclosure and pre and post closing consumer education; and creating a web site on financial education.

The Governor's actions encompass recommendations put forth by the Mortgage Summit Group that was convened in response to rising foreclosures both locally and nationally. The Group, led by Commissioner of Banks Steven L. Antonakes, included nearly 50 participants from government agencies, non-profit organizations, and the mortgage lending industries who convened to develop a comprehensive foreclosure prevention strategy.

"We really appreciate the Governor taking the time to speak with us and articulate so forcefully the need for action to address the foreclosure crisis," says Joseph Kriesberg, President of MACDC. "There are solutions to these problems, such as requiring mortgage companies to meet the same responsible lending standards as banks do, making the foreclosure process fairer to homeowners, and providing better counseling and education to consumers."

The Governor will be working closely with House and Senate leaders as well as Attorney General Martha Coakley as the bill he drafts encompassing these initiatives is being finalized. The administration is also supportive of foreclosure prevention legislation already filed by Boston Mayor Thomas Menino, Senator Jarrett Barrios, and Representative David Torrisi.

Governor Patrick has been involved in fighting predatory lending and helping to reform lending practices for nearly two decades,

both as a private lawyer in Boston and as chief of the Civil Rights Division in the U.S. Justice Department. As a private attorney, he helped fight for consumers being scammed by illegal tactics by lenders which resulted in a settlement of \$11 million in low-income housing and low-interest loans. His work on behalf of consumers also helped lead to a settlement between Baybanks and then-Attorney General Scott Harshbarger, which at the time was considered the "start of a national solution" to lending scams.

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