



CHARLOTTE ORGANIZING PROJECT

2000 MAY 13 A 11:20  
DISSEMINATION BRANCH

7

May 17, 2000

Manager, Dissemination Branch  
Information Management and Services Division  
Office of Thrift Supervision  
1700 G Street, NW  
Washington, DC 20552

Attention: Docket No. 2000-34

As a small organization doing community organizing in Charlotte's low-income neighborhoods, we are deeply concerned about the issue of predatory lending.

We are affiliated with the Community Reinvestment Association of North Carolina (CRANC), and thus participated in a project with them; we interviewed a number of people in Charlotte who had received loans from a group of companies we chose. Some of these companies were subsidiaries of our major banks. In most cases, people we interviewed had been contacted by advertisers and mortgage brokers at the point when they were desperately in need of cash, and took out loans which put their homes at risk. Many of them had no idea their home was the collateral. Saddest of all were the Habitat for Humanity homeowners whose homes were financed with 0% interest; they refinanced at exorbitant rates.

We are currently involved with CRANC in helping one of the Habitat homeowners to sue the company who last refinanced her home; this company created false social security numbers and jobs for her.

In North Carolina we are about to have a predatory lending law take effect; we urge you to do whatever you can to strengthen legislation nationally and statewide to stop these abusive practices: balloon payments, false advertising, mandatory expensive credit insurance, targeting minorities, exorbitant interest rates, brokerage fees. Counseling for applicants would be a wonderful addition to your requirements.

Sincerely,

Jane Burts  
Director

