

## TATEMENT BY RANKING MEMBER SPENCER BACHUS (R-AL) REGARDING ASSIGNEE LIABILITY AND SUBPRIME LENDING REFORM

April 10, 2007

“There has been no specific agreement between Chairman Frank and me regarding the inclusion of any provision in subprime lending reform legislation. Since March of 2006, I have stated that a workable national standard on assignee liability would be helpful in any subprime reform and that the New Jersey statute provisions on assignee liability have been shown to be effective and could be the starting point for national legislation.

“It’s very important to preserve the liquidity in the subprime lending market. As we saw in Georgia, an ill-conceived assignee liability law restricts the ability to market mortgage securities, ultimately making it more difficult for low-and-middle-income homebuyers to secure financing.

“That is why I support consideration of an assignee liability provision modeled after the New Jersey law, which includes ‘safe harbor’ provisions that allow purchasers of securitized loans to protect themselves from liability via due diligence. The New Jersey law also includes a provision that allows individual private rights of action rather than class action lawsuits.”

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