

Statement by Ranking Member Spencer Bachus Regarding the Fed's proposed HOEPA regulations

December 18, 2008

"Today the Federal Reserve Board released its proposed new regulations under the Home Ownership Equity Protection Act (HOEPA). The regulations complement recent efforts on the part of Congress and the Administration to help struggling homebuyers. Specifically, the proposed regulations include several provisions, including prepayment penalties and escrowing of taxes and insurance, that were part of bipartisan subprime mortgage reform legislation passed by the House in November.

"Let me commend the Fed for finally taking this step forward. Benjamin Franklin told us, 'an ounce of prevention is worth a pound of cure.' Our free market system is best served when reasonable rules are put in place to protect consumers in advance, as opposed to engaging in after-the-fact bailouts once the damage has already occurred."