

Senate Bill 435

By: Senator Scott of the 36th

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 2 of Article 15 of Chapter 1 of Title 10 of the Official Code of Georgia
2 Annotated, the "Fair Business Practices Act of 1975," so as to enact the "Prevention of
3 Predatory Lending Through Education Act"; to define certain terms; to create within the
4 Governor's Office of Consumer Affairs the Council for the Prevention of Predatory Lending
5 Through Education; to provide for membership, terms, and officers; to provide that the
6 council shall investigate the circumstances surrounding questionable home loans and to refer
7 complaining consumers to appropriate governmental agencies or consumer protection
8 organizations for assistance; to provide that the council shall design, approve, and implement
9 education programs that inform and educate consumers, particularly those most vulnerable
10 to being taken advantage of by predatory and unscrupulous lenders, as to the dangers and
11 pitfalls of entering into a home loan through cooperation contracting with community based
12 organizations to accomplish such directive; to provide that the council shall refer individual
13 cases in which there is evidence of an apparent violation of federal or state laws or
14 regulations to the appropriate governmental agency for further investigation and action; to
15 provide that the council shall conduct an extensive state-wide study of the root cause of home
16 loans which go into default and foreclosure, using as much empirical data as are available,
17 and recommend to the Governor proposed consumer protection legislation; to repeal
18 conflicting laws; and for other purposes.

19 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

20 **SECTION 1.**

21 This Act shall be known and may be cited as the "Prevention of Predatory Lending Through
22 Education Act."

1 a majority of the members deem necessary, to hold public hearings throughout the state and
2 to receive input from citizens and organizations concerning local problems involving
3 predatory lending.

4 (d) The council shall have the following powers and duties:

5 (1) To design and approve education programs that inform and educate consumers,
6 particularly those most vulnerable to being taken advantage of by predatory and
7 unscrupulous lending practices, as to the dangers and pitfalls of entering into a home
8 loan;

9 (2) To cooperate with community based organizations to accomplish such directive. The
10 council may accept and review proposals from community based nonprofit organizations
11 to conduct such educational programs and enter into contracts with such organizations
12 for the provision of such services;

13 (3) To operate and publish a state-wide toll-free number to receive consumer complaints
14 relating to predatory and unscrupulous lending practices in relation to home loans. The
15 council shall also maintain a list of nonprofit consumer counselor organizations. Upon
16 the written complaint of a consumer, to investigate the circumstances surrounding a home
17 loan and, if appropriate, to refer the complaining consumer to appropriate governmental
18 agencies, consumer protection, or consumer counselor organizations for assistance;

19 (4) To refer individual allegations of predatory and unscrupulous lending practices in
20 which there is evidence of an apparent violation of federal or state laws or regulations to
21 the appropriate governmental agency for further investigation and action;

22 (5) To cooperate with legitimate lending institutions to assist the industry in identifying
23 and eliminating unscrupulous predatory lenders within the industry;

24 (6) To conduct an extensive state-wide study of the root cause of home loans which go
25 into default and foreclosure, using as much empirical data as are available, and to develop
26 and recommend to the Governor and the General Assembly proposed consumer
27 protection legislation; and

28 (7) To perform such other functions as necessary to carry out the intention of this Code
29 section."

30 SECTION 3.

31 All laws and parts of laws in conflict with this Act are repealed.