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**Tuesday, March 27, 2007**
**Legislators call for new foreclosure measures**

State regulators, lawmakers, and community groups expressed broad support for legislation to stem the tide of foreclosures of home mortgages.

"This is a crisis in Massachusetts, a crisis created by the proliferation of subprime loans," said state Senator [Jarrett Barrios](#), a Democrat who represents districts from Cambridge to Revere. Subprime loans are high-interest mortgages offered to borrowers with credit problems.

Barrios is the sponsor of one of several bills in the Legislature to grapple with the state's rising foreclosure filings, which hit a record of nearly 20,000 in 2006. His bill would provide counseling to homebuyers and foreclosure relief to those already having difficulty paying their loans, and would crack down on regulation of subprime lenders. To prevent some foreclosures, he also proposed giving borrowers 30 days to catch up on loan payments when they fall behind, a time period one community activist said was too short.

Numerous stories of troubled borrowers were retold. Barrios said an elderly resident in Cambridge's Huron Village neighborhood signed a loan, even though she had Alzheimer's disease and was "unaware what was going on." A Chelsea resident took out a refinancing loan with a 16 percent interest rate cap, he said.

Isabel Frias, a former homeowner and single mother of three, said she lost her life savings when lenders foreclosed on her two-family home in Lawrence, which cost \$340,000. At the loan closing, she told the committee her mortgage payment would be \$1,000 higher than she had been promised.

When asked why she signed the loan, she said, the broker said "if she changed her mind she would lose



her downpayment, a life savings of \$12,000," Frias, who speaks only Spanish, explained through a translator.

"These are documented cases, and it's completely unregulated," Barrios told the chairs of the Joint House and Senate Committee on Housing, Democratic Senator [Susan Tucker](#) of Andover and Democratic Representative [Kevin Honan](#) of Allston-Brighton.

Tina Brooks, undersecretary of the [Massachusetts Department of Housing and Community Development](#), said that the subprime problem is most acute in the African-American and Latino neighborhoods where loans are "unaffordable and a recipe for foreclosure." She urged legislation be passed to provide assistance "for those victimized by abuse."

(By Kimberly Blanton, Globe staff)


Posted by Boston Globe Business Team at 01:25 PM


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