

Regular Session, 2008

HOUSE BILL NO. 279

BY REPRESENTATIVE HINES

CREDIT/CONSUMER LOANS: Prohibits residential mortgage loan lending without due regard to repayment ability

1 AN ACT

2 To enact R.S. 6:1096(J), relative to residential mortgage loans; to prohibit the lending of a
3 residential mortgage loan without due regard to the applicant's ability to repay the
4 loan; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 6:1096(J) is hereby enacted to read as follows:

7 §1096. Residential mortgage loans

8 * * *

9 J. A lender shall not engage in a pattern of practice of making loans based
10 on the consumer's collateral without regard to the consumer's repayment ability,
11 including but not limited to the consumer's current and expected income, current
12 obligations as disclosed to the lender by the loan application, and the consumer's
13 credit report, employment status, and other financial resources other than the
14 obligor's equity in the dwelling which secures repayment of the loan.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Hines

HB No. 279

Abstract: Requires a residential mortgage lender to give due consideration to an applicant's ability to repay the loan.

Proposed law requires a residential mortgage lender to consider an applicant's ability to repay a loan as represented by the applicant's income, obligations, employment status, and other financial resources other than the applicant's equity in the collateral.

(Adds R.S. 6:1096(J))