



**State of Connecticut**  
**Latino and Puerto Rican**  
**Affairs Commission**

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**Testimony of Werner Oyanadel, Principal Legislative Analyst of the LPRAC**  
**In support of bills that aim at helping homeowners with their mortgages**  
**Tuesday, February 24, 2009 at 10: 00 A. M. in Room 2B of the LOB**

Good morning Senator Bob Duff, State Representative Ryan Barry and honorable members of the Banks Committee. My name is Werner Oyanadel, Principal Legislative Analyst of the Latino and Puerto Rican Affairs Commission. I am here today to speak in support of several bills that aim at helping homeowners with their mortgages.

Latino homeowners and renters have been hit hard in the Connecticut foreclosure crisis. The sub-prime mortgage fiasco has caused Latino homeowners and renters to lose their residences in record numbers. In 2008 a nationally recognized online marketer of foreclosed properties reported that foreclosure filings nationwide soared by 57% or roughly 233 thousand homes – which was 8% higher than the numbers reported in the month of December. In Connecticut alone, the same marketer pointed-out that more than 7,700 foreclosure filings occurred in the third quarter of 2007 and most of it came from subprime loans which normally cultivates a large portion of their business by outreaching to Latinos and African-Americans.

The Association of Community Organizations for Reform Now stated in their 2004 study entitled Predatory Lending in America that there has been a greater concentration of sub-prime loans in minority neighborhoods than mixed-race or majority-white neighborhoods. At its height, the use of sub-prime loans by homeowners who lived in neighborhoods in which minorities constituted 80-100% of the population were 3.8 times more likely to receive a sub-prime loan when refinancing than homeowners who lived in neighborhoods where minorities were less than 20% of the population.

**The LPRAC is supportive of H.B. 6481** the Emergency Mortgage Assistance Program (EMAP). This bill clarifies the language of the revamped EMAP, which contains \$64 million to help homeowners avoid foreclosure and preserve their homes. This bill eliminates administrative barriers that have made this program unreachable to many Connecticut families who could benefit from this program. According to the Legal Assistance Resource Center of Connecticut, Inc. fewer than 10 EMAP loans have been granted even when the severity of the demand of foreclosure crisis required more state aid.

**The LPRAC is also supportive of H.B. 6484** The Judicial Restructuring of Mortgages would, if approved by the Connecticut General Assembly, grant foreclosure judges the ability to intercede on behalf of borrowers in foreclosure proceedings to grant emergency mortgage protections or relief to eligible home borrowers. The LPRAC supports this change.

Thank You,