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2009 General Assembly Wraps with Big Consumer Loss *Legislators ignore mortgage reform, pass 3 pro-consumer bills*

ATLANTA – The Georgia General Assembly will wrap this evening after an extended day, finishing a session that began with a pledge to aid Georgians struggling with a 9 percent jobless rate, record foreclosures and plunging home values. The final day of the 2009 session, or sine die, saw several small wins for consumers, but those victories were almost overshadowed by special interests and one very large, empty promise.

Senate Bill 57 died in the House on day 40 of the legislative session. House leadership denied members the opportunity to vote on the only bill that would have reformed abusive practices in the mortgage industry that led to the current foreclosure crisis. SB 57, sponsored by Sen. Bill Hamrick (R-Carrollton), was ground-level reform that would have banned prepayment penalties on subprime loans, banned kickbacks for brokers who guide borrowers into more expensive loans than they qualify for, and required income verification and an ability to repay standard on all loans.

“House leaders today turned their back on the hundreds of thousands of Georgians who’ve lost their homes, or face losing their homes,” Georgia Watch Executive Director Allison Wall said. **“House leaders are ignoring Georgia families, choosing instead to protect the irresponsible industry practices that brought down our economy.”**

Georgia had 10,185 total foreclosure filings in February 2009, with Fulton and DeKalb counties leading the state. **“Yet another month of record-high foreclosures looming and the House failed to pass a common sense law that would reform predatory mortgage lending and prevent future housing crises of this magnitude,”** Wall said.

Though SB 57 failed, Senate Bill 141, another element of Sen. Hamrick’s foreclosure package, is expected to receive final passage later today. SB 141 requires holders of foreclosure deeds to file them with local governments within 90 days. A more timely system for filing deeds improves neighborhood safety and enforcement of code violations at foreclosed properties by helping local governments identify the owners of the property. The Senate has yet to come to a conclusion on House Bill 568, which would change the process for selecting the chairperson of the Georgia Public Service Commission (PSC). Currently, the position is a rotating, one-year term. HB 568, sponsored by Rep. Don Parsons (R-Marietta), would make the chairperson a three-year position elected by the five commissioners. The current version of HB 568 prohibits a chairperson from serving consecutive terms, which addresses concerns over the potential of a permanent chairperson.

“House Bill 568 has the potential to create a permanent PSC chairman, otherwise known as a dictator,” Wall said.

House Bill 509 also received a final stamp of approval. Sponsored by Rep. Sharon Cooper (R-Marietta), HB 509 is a comprehensive rewrite of the Medical Practice Act that adds an additional consumer member and doctor member to the Composite State Board of Medical Examiners (CSBME). The CSBME is currently comprised of 13 members, 12 of whom are medical professionals. Adding consumer members to the board gives non-health care professionals and patients a stronger voice during closed-door disciplinary proceedings, emphasizes patients’ rights and improves overall care.

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“House Bill 568 would threaten the balance of leadership at the PSC while the commission is overseeing the early collection of finance charges, Georgia Power profits, and corporate income taxes related to the Plant Vogtle expansion,” Wall said.

The House and Senate have yet to take a final vote on a compromise version of House Bill 169. The bill, sponsored by Rep. Buddy Carter (R-Pooler), expands notification of changes to the flood plain maps to affected homeowners in the floodplain and floodway. A conference committee was appointed to determine who would supply the addresses of newly affected homeowners to the state Environmental Protection Division, and in what timeframe.

Georgia Watch battled diligently to pass pro-consumer legislation in 2009 in the face of some formidable opponents. We will continue working with lawmakers in the future to create fair policies that protect Georgia families and preserve their interests.

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Founded in 2002, Georgia Watch is a nonprofit, nonpartisan 501-(c)(3) watchdog group focusing on consumer education and research in the areas of health care, insurance, identity theft and personal finance. Visit www.GeorgiaWatch.org for more information.