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The Office of the State Treasurer, Empower New Haven, and Bank of America Expand Predatory Lending Prevention Program into New Haven

Program Seeks to Educate Local Residents about Credit and Borrowing; Teaches Residents How to Avoid Abusive Lending Practices

New Haven, CT – Today the Office of Connecticut State Treasurer Denise L. Nappier and Bank of America joined forces with Empower New Haven, Inc., Neighborhood Housing Services, Inc. and Money Management International (formerly Consumer Credit Counseling Services) to extend the “Borrow Wise” program to low- and moderate- income residents of New Haven. Borrow Wise will provide financial education in order to help consumers make informed decisions about borrowing money and avoid predatory or abusive lending practices.

New Haven will join a dozen communities already offering Borrow Wise. The program targets populations with a history of risk in making ill-advised borrowing decisions, including: seniors, minorities, non-English speaking residents, and individuals with limited financial experience. Information and resources on how to steer clear of predatory or abusive lending practices are provided to advisors in each of the communities offering the program.

Connecticut’s first Borrow Wise program was launched in Bridgeport in 2004, and has been offered in Danbury, Hartford, Meriden, Middletown, New Britain, New London, Norwalk, Norwich, Stamford, Waterbury, and Willimantic. Fannie Mae has provided assistance to Bank of America, the State Treasury and other program partners in developing the program to educate faith- and community-based leaders who in turn train their staff and engage local partner organizations and community mentors to provide educational seminars for local residents.

“The recent influx of foreclosures fueled by mortgage lenders, especially in the unregulated subprime lending business, underscores the importance of educating our most vulnerable citizens about the conventional pitfalls of borrowing,” said **Connecticut State Treasurer Denise L. Nappier**. “Knowledge is power. The Borrow Wise Initiative provides important financial education for at-risk and traditionally underserved populations, which will not only protect the livelihood of our families, but also the health of our economy.”

“Owning your own home has long been the American Dream. It is programs like the Borrow Wise Initiative that play a role in ensuring people do not lose out on that dream because of predatory or abusive lending practices,” said **Congresswoman Rosa DeLauro** (CT, 3rd CD).

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Although not all sub-prime loans are a consequence of predatory lending, nearly 25% of all loans made in New Haven in 2005 were sub-prime according to recent study conducted by the Consumer Federation of America. In addition, research conducted by the Center for Community Change says that in the New Haven-Meriden Metropolitan Area, African-Americans receive almost 2½ times as many sub prime loans as whites.

“The City of New Haven is proud to welcome Borrow Wise New Haven and we appreciate the efforts of the local and state partners in increasing the vital consumer awareness of city residents,” said **New Haven Mayor John DeStefano, Jr.**

Bank of America has been working in collaboration with the Treasurer’s Office to bring financial education initiatives to local communities since 2000. The Borrow Wise Initiative is an extension of banking and credit education programs serving the needs of low- and moderate-income individuals.

“By providing home financing guidance and solutions, we make it easier for individuals to realize the dream of homeownership,” said **Susan Rottner, President of Bank of America in Connecticut.** “It’s just another way we’re working to give something back to our communities and promote neighborhood excellence.”

In January 2002, Bank of America, the State Treasurer’s office and Money Management International (formerly Consumer Credit Counseling Service of Southern New England) launched the program Credit When Credit is Due, designed to help individuals re-enter the mainstream of financial services by providing education, an opportunity to re-establish credit accounts, learn the basics of money management and learn how to build a positive credit history.

“Empower New Haven’s mission is improve the economic status and quality of life for the community” said **Althea Marshall Richardson, President/CEO, Empower New Haven.** “We look forward to spreading the Borrow Wise financial empowerment information widely which has great benefit.”

"Neighborhood Housing Services of New Haven is very proud to be a Borrow Wise New Haven partner. For many families, safely navigating the financial landscape is not an easy task. We appreciate the opportunity to join forces with Empower New Haven and Consumer Credit Counseling to enhance the knowledge base of our community," **Jim Paley, Executive Director, Empower New Haven.**

Treasurer Nappier has made advancing financial literacy a hallmark of her administration, working collaboratively with community-based and faith-based organizations and the business community to promote financial education statewide, including programs aimed at young people, women, and underserved communities.

Bank of America is one of the world's largest financial institutions, serving individual consumers, small and middle market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk-management products and services. The company provides unmatched convenience in the United States, serving more than 55 million consumer and small business relationships with more than 5,700 retail banking offices, through more than 17,000 ATMs and award-winning online banking with more than 21 million active users. Bank of America is the No. 1 overall Small Business Administration (SBA) lender in the United States and the No. 1 SBA lender to minority-owned small businesses. The company serves clients in 175 countries and has relationships with 98 percent of the U.S. Fortune 500 companies and 80 percent of the Global Fortune 500. Bank of America Corporation stock (NYSE: BAC - News) is listed on the New York Stock Exchange.